THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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WORLD POLITICS MAR OUTLOOK FOR BUSINESS

Otherwise Prospects for a Continuation of Improvement

CANADIAN WHEAT

A Growing Factor in European Markets but Little Prospect of Increased Export Demand During 1923

Because he declares that "in Canada conditions are essentially the same as those of the United States" Canadian business men and investors will find in the following outlook on the prospects of 1923 by James S. Alexander, President National Bank of Commerce in New York, of first importance. Mr. Alexander is recognised as an outstanding American authority on trade and finance and was asked to discuss the business and industrial situation before the American Bankers' Association at the big New York convention in October. He deals not only with the situation in America but with that situation in relation to European and world conditions.

If serious changes in world political conditions do not occur, business in 1923 should not fall below the levels of the closing months of last year. It will be characterized by dependence on domestic demand with moderate exports. Every unit of the business community will find it imperative to exert unremitting efforts to reduce costs both of production and distribution by means of better equipment, improved processes, and every possible economy.

The problems of the new year are the unsettled foreign conditions, the upward tendency of wages and prices, and the difficulty of making reasonable profits by farmers and other producers of raw materials, by many manufacturers and also by the railroads.

Economic conditions in every country now tend to respond first to national influences and second to foreign influences. From the end of the world war until the close of 1921 depression and betterment alike had been general.

In Canada conditions are essentially the same as those in the United States. The European outlook as a whole is not encouraging. A solution of its problems will probably be found at a general conference, with the United States participating, where all factors can be taken up in their proper relation to each other and constructive measures adopted or recommended. Such a conference must eventually take place and others than governmental representatives must participate.

There is no probability of any material expansion of European purchases of agricultural products and raw materials in 1923. Indeed the first requisite is a balancing of imports and exports. Even if European purchasing power should improve, the United States must meet severe competition from other countries exporting agricultural products and raw materials. It is worthy of note that the general tendency of Canadian wheat exports is to increase and Canadian wheat production is far from its ultimate possibilities. Although the appearance of Russia as an important exporter of food products seems to be remote, if Russian conditions are improving we would look for the partial elimination of Russia as an importer of food in the form of relief shipments. Russian exports of raw materials other than foods may show some improvement in the course of the year. It is not from Europe, however, that American exporters of raw materials meet their most severe competition. Both Canada and the United States must at all times meet the competition of Australia, South America, South Africa and Asia.

Exports of manufactures are not likely to increase rapidly. Europe is primarily an exporter of manufactures so that even material European betterment would not furnish an important direct outlet for American manufactures. Surplus manufactures must be sold to heavily populated countries with little industrial development and to relatively new countries in process of development. The entire excess manufacturing capacity of the world is competing for these markets and because of high production costs in the United States, American producers face severe competition. Where the United States has an advantage as to the supply of raw materials, as is the case in iron and steel, it may make gains. In so far as American export trade is based upon the peculiar genius and manufacturing skill of the United States in the production of special types of ingenious labor-saving machinery and in lines where standardized production has developed as a result of a

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British Interests to Take New Bond Issue

This year is likely to see the beginning of the flow of British capital to Canada for investment in Canadian industries. Exchange conditions are ripening to a situation where money can be profitably brought out.

Already plans have been almost completed for the sale in Britain of the bond issue of a large Canadian industrial corporation. Announcement may be expected within the next six or eight weeks that the deal has been finally closed up.

GRAIN GROWERS OUT FOR BANK REFORMS

Several Resolutions to be Considered at Convention at Saskatoon

From Our Own Correspondent.

SASKATOON.—Perhaps the most daring reforms which the annual convention of the Saskatchewan Grain Growers will be called upon to give approval are resolutions in respect to banking, emanating from local associations at Colville, Catarqui, Wycollar, Cavalier and Hazelbank. There are four of these, the most important of which calls for the establishment of a national banking system similar to that in use in Australia. Another asks that the power to issue currency be confined to the Dominion government in order that profits accruing from the destruction or loss of paper money or coin, accrue to the country as a whole and not to the banks as at present. The appointment of a general committee to consider the credit situation and to study economic and financial matters, especially with respect to banks. The last asks that banks be debarred by legislation from deducting interest charged, from the amount of a loan at the time such loan is made.

HOLT EMPHASIZES NEED FOR SETTLERS

More Population to Reduce Burden of Debt as in the United States

From Our Own Correspondent.

MONTREAL—At the annual meeting of the Royal Bank the president, Sir Herbert Holt pointed out that "the large margin which frequently exists between the price the farmer receives and that paid by the consumer is causing discontent. What is more grave, it is acting as a check on the population and progress of the Dominion. While something should be done to aid the farmer by improved methods of distribution and increase of storage facilities, the root of his trouble lies in the working of those economic laws which will also bring the remedy. The abnormal demand, shortage of labor and unlimited credit of war time caused prices to soar. A reversal of these conditions, a demand below normal, a glutted labor market, and a lack of credit in Europe is bringing them down. Agricultural products have been the first to bear the full stress of the falling movements, but when industrial Europe gets back to pre-war production the prices of manufactured goods will decline proportionately. In this way will be restored the equilibrium between earnings in agriculture and industry, without which there can be no endurisg prosperity.

"Though directly and indirectly we are already taxed to an extent which is adversely affecting industry, the national debt mounts higher and we are faced with swelling interest charges. These can only be met in two ways. By drastic economies in administration or by adding to our man power to convert more of our natural resources into commodities. What is needed is a vigorous immigration policy to open up a new era of development. An influx of settlers brought prosperity to the United States and enabled that country to pay its great Civil War indebtedness. By inviting to our shores men and women stout of heart and with willing hands, we may achieve a like result. We must bring in new people to share with us the triple role of producers, buyers asd taxpayers."

Tax on Bank Profits Upheld in Nova Scotia

The Supreme Court of Nova Scotia has ruled that municipalities have the right to tax profits derived by banks upon funds deposited in that municipality. The case is a test one and the Royal Bank, the defendant, will carry the appeal to the Dominion Supreme Court. The action was brought by the Royal Bank against the town of Glace Bay and the municipal centre scored a victory before County Judge Finlayson. The Bank appealed to the Supreme Court of the Province and again the municipal centre won. The town imposed an income tax upon profits derived by the bank from deposits of Glace Bay people. It was against this tax that the bank appealed.

PRIVATE POWER ENTERPRISE TO BOOM WINNIPEG

Industrial Development to Follow Investment of Millions

From Our Own Correspondent.

WINNIPEG. — Winnipeg newspapers during the past week have been optimistically forecasting an industrial boom for the city with the establishment this year of eight or nine new industries with a total capitalization exceeding $20,000,000, as the direct and specific result of the availability of the new hydro-power. A. W. McLimont, vice-president of the Manitoba Power Company, will give no confirmation to the rumors, as yet, contenting himself with the statement: "All I can say is that we did not go ahead with the construction of such a big plant as we have at Great Falls without knowing what we were doing." THE FINANCIAL POST correspondent is given to understand that Sir Augustus Nanton, president, and A. W. McLimont, vice-president, have at least one important contract tucked away, and this is said definitely to bind a $5,000,000 concern to a supply of the Manitoba Power Company's hydro-power.

The putting into commission of the first unit of the Manitoba Power Company's vast plant is important because of the fact that a market for the new 28,000 h.p. has already been found. The second unit will be operating early in February, according to present plans. In many respects the Manitoba Power Company's structure at Great Falls is unique; it has been completed within the original estimates and ahead of the time calculated by the engineers.

Sir James Aikins, Sir Augustus Nanton, president; A. W. McLimont, vice-president; and F. H. Martin, chief engineer, spoke briefly at the official ceremonies. Sir Augustus said the plant is the realization of what seemed almost a dream 25 years ago when he and other Winnipeg citizens contemplated the ultimate construction of a hydro plant in the locality. The vision had developed because of the persistence of those who have faith in the growth of Winnipeg and Manitoba. It had been difficult to secure capital in these times of general financial distress and the funds had been secured largely by the sale of securities in small amounts to the people. It was a Canadian achievement, made possible by the use of Canadian money.

Vice-President McLimont said the great building, with its intricate machinery, was of Canadan production. All the money for the plant was spent in Canada. Several millions had been expended to date and ultimate completion would mean a total investment of $12,000,000.

This means that the company must find a market for this current by inducing new industries to locate in Winnipeg, which is part of their definite and energetic policy. The development on such a scale could not be undertaken except with a view of supplying large industries, utilizing a continuous maximum of current. The company has established a department to encourage new industrial development in and around Winnipeg.

Would Have Federal Income Taxes Only

The convention of the Saskatchewan Grain Growers at Saskatoon will be asked to endorse a resolution urging that income tax be collected by federal authorities only and that provincial governments be reimbursed for the loss of this privilege by federal subsidy, supplied on a per capita basis.

The Post's Policies Justified

The vote against the Beck proposals for Hydro radials indicates a desire of the people to give Sir Henry Thornton an opportunity to electrify the existing lines of the National railways.

THE FINANCIAL POST has been the only paper which has persistently and consistently opposed the plans of Sir Adam Beck to spend a couple of hundred millions of the people's money on a new railway system to duplicate lines already owned by the people and showing immense annual deficits. Public opinion has been influenced too by the business-like handling of the situation by Premier Drury in ordering the Sutherland inquiry and the Gregory inquiry and Sir Henry Thornton in refusing to play the political game of Beck and his dupes.

However, the fact that so many people still voted for the Hydro proposals in the face of the evidence of duplication, of certain losses and of recklessness from an engineering and financial standpoint shows that public opinion is still strongly prejudiced against the manner in which franchises in particular and the public in general have been treated in Ontario by certain corporate and certain other business interests.

Investment dealers in touch with American financial opinion state that the action of Toronto in defeating Sir Adam Beck's radial railway scheme was a fine advertisement for the city. Its credit ranks higher as a result, a fact revealed in the high price received by the city this week for a bond issue sold in New York.

The announcement from Ottawa that Dr. R. M. Coulter has been retired from the position of Deputy Postmaster-General of Canada marks an important phase of the reorganization of the Post Office Department being brought about by Hon. Charles Murphy, Postmaster-General, a policy advocated in these columns for some time. They are saying in Ottawa that Mr. Murphy is so busy making his own department efficient he seldom has time for attendance on cabinet meetings.

War Settlement Scheme Favored

From the time Hon. Mr. Rowell, member of the Dominion Cabinet and President of the Council, condemned the United States, and particularly the Republican Party, for not swallowing in its entirety the Peace Treaty, THE POST has persistently presented the Republican viewpoint before Canadian readers. It is true that some time later Mr. Rowell, to his credit, admitted the justice of the Republican critics and himself supported changes in the Peace Treaty which were as much in our interest as in that of the United States. Lloyd George and some of the British politicians persisted in misrepresenting the view of the United States Republicans for the purpose of creating a prejudice against the United States throughout the British Empire and among our allies. As this policy was not conducive to the good feeling that should exist between us and our neighbors, we have persistently in these columns endeavored to correct the false impression Lloyd George was creating. As we have to borrow money, get coal, and other supplies, and as the Americans have treated us most generously, it would have been damaging our interests to have stirred up national feeling based on entirely erroneous allegations made by slick politicians.

All the developments have confirmed the information passed on to our readers from our reliable Washington correspondent, and to-day we have the United States working in almost complete unity with the British Empire and most satisfactory progress has been made recently in the settlement of outstanding problems, which will lead to a great improvement in the international situation.

The United States have all along properly refused to be drawn into international troubles mainly due to efforts of politicians seeking personal or party advantages in various countries. These have been the outstanding objectives of Lloyd George and Poincaire. With saner men leading France, working in unison with Bonar Law, the reparations question can be settled and the United States will co-operate. This is the real solution of the economic recovery of Europe.

This now seems to be the likely development as a result of Lloyd George's elimination. The United States and Great Britain will give France no real sympathy or support as long as Poincare policies prevail. They will give Germany their sympathy but no formal support. They have agreed that Germany cannot pay the full reparations and many French financiers have taken the same view from the outset. They have agreed that the best solution is a commission of practical men—not politicians—which should investigate and decide what amount, to the last cent, Germany can pay. They have agreed to cancel their own claims against Germany. In case the general reparations are reduced, Britain will make up her mind to pay her debt to the United States. In this connection the overseas Empire must feel the deepest admiration for the dignity and courage shown by the Mother Country. The already overburdened taxpayers have said to themselves: "If the United States wants us to pay in full we will do so." There is no whining from those who must pay and suffer. Only the politicians show cowardice. There is now no expectation that the United States will cancel any loans which should be justly repaid but THE POST—knowing the generosity and commonsense that characterizes the present United States Government and its supporters, the masses of thinking Americans, the business men and the financiers—feels certain that a very large portion of the British debt will be finally remitted.

Of course French politicians may refuse to consider the British and American suggestion for calling in business men—just as Lloyd George and Asquith did—and we will have Europe in collapse, which will make conditions very hard for us in Canada for some years to come.

Germany may let the French politicians have their way or she may show fight, which she can easily do—with the assurance Britain will not interfere. She can use the Soviet army which she now controls.

The general feeling is that wiser counsels will prevail. If so, we in Canada can reasonably expect great prospects to open for us this year. The Old Country is coming back magnificently. There are millions in Europe who want to settle in Canada. This settlement is our problem and signs of exasperation over the inactivities of the Dominion Government are beginning to be heard.

Oak Tire Shareholders Out to Get More Information

Shareholders of the Oak Tire and Rubber Company are beginning to take a more active interest in the affairs of that concern and are evidently out to seek information along the lines of the inquiries which have been instituted by THE FINANCIAL POST but which have failed to bring any explanation from the president of the company, Frank Law, to whom they were addressed.

A communication from a shareholder states that a committee has been formed on behalf of those who have invested in the company's shares and THE FINANCIAL POST has been asked the following questions:

1. Was Frank Law a director at one time of the Tiger Tire Company?
2. Was Frank Law ever a partner in the Commercial Service Company that sold Oak Tire stock?
3. Is it proper for the president and general manager of a company to be interested in another company selling stock in his own company?
4. Is it customary for a president to make an agreement with a stock selling company to sell a large block of stock without the knowledge of the board of directors or the secretary-treasurer of the company?

1. Frank Law was a director of the Tiger Tire and Rubber Company in 1920. When he resigned there was a distinct difference between what Mr. Law said of the other directors and what they said of him.

2. Mr. Law we understand had a very substantial interest in the Commercial Service Company.

3. There would be nothing against an official of a company being interested in a company selling stock if the connection were used for the best interests of the shareholders. However, reports we have heard of the methods employed by the Commercial Service Company would indicate that these methods should never have been countenanced by the president of the company whose stock was being sold.

4. We do not understand how the president of a company could dispose of a block of the company's stock without the knowledge of the directors.

METROPOLITAN LIFE BUYS REALTY ISSUE

Invests $6,000,000 With the Royal Bank Property Holding Subsidiary

The Metropolitan Life Insurance Co. has purchased $6,000,000 of bonds of the Globe Realty Corporation, a bank premises holding subsiding corporation of the Royal Bank.

The bonds are secured by a mortgage on Royal Bank property in all parts of Canada, with the exception of the head office in Montreal.

Last annual report of the Metropolitan Life showed them holding in Canada $1,551,000 of 5½ per cent. bonds of Globe Realty Corp., due 1938.

The advantage of this to the bank would be the placing at its disposal of a large sum of ready cash which would be available as additional working capital when further demands arise in this country through an improvement in business conditions. The last annual statement of the bank, issued about three weeks ago, set down the item of "bank premises" at $12,142,342, as compared with $10,627,759 the previous year. Real estate was valued in addition at $1,521,924, the total running a little above $16,600,000.

$2,000,000 Wireless Vancouver Station

From Our Own Correspondent.

MONTREAL.—A cable from London announces that the Marconi Co. is arranging to build the highest powered wireless station in the world at Vancouver, B.C., and another station at Montreal, in order that messages may be freely carried from London to Australia via Canada. The estimated cost of the Vancouver station is $2,000,000.

A NEW CAMPAIGN TO SELL MARKS TO CANADIANS

Follows Formation of Company to Invest in Germany

"EVENING-UP" TALK

A Flood of Circulars Say There is no Chance of the Mark Recovering but Say Losses May be Averaged

From Our Own Correspondent.

NEW YORK.—In spite of the colossal hoax perpetrated by Germany since the armistice in selling fifteen billion marks outside her own borders, the selling of marks on a large scale continues in this country and is being carried on in Canada. Canadian bankers in this city tell your correspondent that they almost daily receive from Canada requests for quotations on German paper currency and German bonds. Apparently, in spite of the continued depreciation of German currency, Canadians still believe that there is a chance that marks may "come back." They, like thousands of Americans, apparently feel that in spite of the fact that during the past four years Germany has mulcted the United States to the extent of at least half a billion dollars, there is a possibility of their being able to lessen thir own losses by "averaging down."

The demand for German marks and German bonds payable in markets from Canada, is believed by most of the Canadian bankers with whom THE FINANCIAL POST has discussed the matter, to be largely the outcome of an intensive mail campaign a number of investment houses have been carrying on during the past three or four months in all parts of the North American continent. That this campaign is meeting with a certain measure of success it is believed the frequent inquiries regarding German marks and bonds received from Canada clearly indicates.

Warning to Investors

Canadian bankers located here are consistently warning their Canadian customers against the purchase of either paper marks or German bonds. They are even advising them against paying much attention to the efforts of the numerous reputable houses which are seeking to have holders of marks turn their holdings in in order that they may be invested in German internal securities.

During the past six months it seems that most of the local brokers interested in the marketing of German currency and bonds have changed their plea from one basis to another equally specious. Since 1920 the selling of German marks has always been based upon the suggested possibility that the German mark would shortly "come back" and that buyers of the depreciated currency would profit very considerably when this "come back" was finally staged. But now the plea is addressed to those who have already bought German marks and German bonds payable in marks to "average down your losses." With almost unbelievable effrontery the very brokers who have robbed their clients of millions are now suggesting the purchase of further German marks and German internal

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Reserve Fund - - - - 10,860,852
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BRITISH PLANTS MUST ADJUST TO CONDITIONS HERE

Why a Number of Enterprises Have Failed in Canada

AMERICANS SUCCEED

One Reason is That They do Not Regard a Branch Factory in This Country as a Foreign Investment

By G. T. MILNE, O.B.E.,
Senior British Trade Commissioner in Canada.

In the development of manufacturing in the Dominion, Canadian fiscal policy is designed to assist, even where the mere assembling of products rather than the utilization of raw materials available in the country, forms the activity of the branch factory; but that the development of raw material rather than the mere assembling of imported parts is what the people of Canada particularly desire, there can be little doubt. The modified form of manufacture consisting in the assembling of imported parts should, it is considered, be only a stage in industrial development, providing the raw material for the eventual fabrication of these parts is obtainable in the Dominion.

The present position of Britain's export trade to the Dominion, to which reference will be made later, suggests that this question of branch factories is one of the most important confronting British manufacturers interested in the Canadian market. It is one which affects some of our industries more directly than others, but few of our manufacturers can view the matter with unconcern. When it is found that the British product is being ousted owing to competition from foreign, as well as local manufacturers, and this notwithstanding the preferential treatment accorded to the goods of the United Kingdom by the Canadian tariff, it behooves home firm which is losing ground, to investigate on the spot the cause of the decline in its trade. Having done this, the firm should give careful consideration to the question of establishing a branch works in the Dominion in conjunction with an adequate selling organization. If, after the most searching investigation, this course should be decided upon, the firm may find it desirable to limit its initial operations to the assembling or manufacture locally of staples in every day demand in the Dominion, utilizing the distributing organization of the local branch factory for the sale of the firm's more specialized finished products, which can be imported from the home factory, along with such semi-finished products or parts as are necessary.

Failure to Understand

In deciding to establish a branch works, one of the first questions demanding consideration is whether it is more satisfactory to start an entirely new organization or to proceed by associating British capital and experience with those of an existing Canadian organization. It is obvious that no definite recommendation can be made in regard to a matter of this kind, but the observation may be permitted that there are many advantages in adopting the latter course. It has been proved on more than one occasion that the non-success of British manufacturing concerns overseas has been in a large degree owing to the failure of the administration in the United Kingdom, and sometimes also locally, to rightly interpret the local atmosphere. Policies admirable in conception, and capable of being carried out successfully in the United Kingdom, are not necessarily to be so regarded where an overseas branch is concerned. Unless after full investigation, the administration in the United Kingdom have a thorough grasp of the problems demanding solution, based on a knowledge of local conditions, and are prepared to give to the overseas administration a voice in matters of policy and a wide measure of authority, it will be a matter for surprise if any marked degree of success is achieved. Probably the most satisfactory method of dealing with this aspect of the question is for the home firm to register a company under a Canadian charter, securing to itself adequate representation on the Canadian board of directors and thus, to some extent, sharing in the framing and direction of policy.

Many American Branches

As to which particular branches of industry it might be advisable for British firms to investigate with the view of making a decision regarding the establishment of branch works, little can be said here. The suggestions made are only general in character, and firms of manufacturers exporting to the Dominion can decide individually whether, in the light of their experience, the matter is of sufficient interest to justify an investigation. Although nearly 700 branches of American factories, handling a wide variety of products, have been established in Canada, and the number is certainly increasing, there are very many firms in the United Kingdom who would gain immensely if they carried out an investigation such as that suggested, even if they decided against the establishment of branch works. They would at least obtain what, after all, is the one main essential for firms exporting to the Dominion, viz., first-hand information regarding difficulties in the way of selling their particular product, and as to the form their overseas representation must take, if a reasonable measure of success is expected. In the opinion of the writer, no better means for the development of our trade with the Dominion can be suggested than by the visits of delegations representative of different branches of industry (similar to that made last winter to Canada and the United States by members of the Scottish Woolen Trades Mark Association), or by those responsible for the selling policy of individual firms.

A prominent Canadian capitalist who visited the United Kingdom in the spring of 1922 in order to interest firms in the branch factory question, made the following comment upon his return from London:

> "The United States manufacturer regards a branch factory in a foreign country, whether in Canada or Europe, as a decentralized portion, but still a unit of the organization. As such the branch is subject to the same rigid inspection and management as the main or parent concern, and has, therefore, been a source of profit in a great majority of cases. The British manufacturer, on the other hand, looks upon the branch as a foreign investment, an agency which will detract from the business of the home plant, and, for this reason, not a particularly desirable form of expansion."

If the viewpoint of the average British firm in reality be that a branch works will necessarily detract from the business of the home plant, and is therefore not particularly desirable, an investigation on the spot may conceivably lead to a truer appreciation of the situation. In matters of this kind, wide generalizations should be accepted with caution, as no two cases are parallel.

EXPORT MARKET FOR BUTTER IS WANTED

Increased Output in Canada Because of Slump in Market for Cheese

"The season of 1922 in butter, cheese and particularly eggs was notable for the losses expected that did not happen," said R. S. Whyte, of the Whyte Packing Co., Toronto, president of the Canadian Produce Association, speaking at the annual meeting in Toronto this week. "During the season of production a large surplus of butter, cheese and particularly eggs accumulated compared with past years but in each case an export outlet, sometimes belated, saved the day, so that while in some cases goods carried in storage did not pay cost and carrying charges, we were probably fortunate that there were not serious losses. If we keep this experience in mind during the year 1923 it may help us.

"Due to world wide market conditions, cheese has sold at less money on the average than butter during 1922 with the result that our production of butter has increased largely at the expense of the cheese production.

"With the increased production of butter comes the need of export outlet and it has been interesting to notice during the season just past the satisfaction that the creamery butter of Western Canada has given Great Britain. In the Eastern Provinces, Ontario and Quebec, it has not been so satisfactory either for export or local use. The Eastern Provinces, Ontario particularly, produce a large quantity of No. 2 and off-grade creamery which must hurt seriously their reputation for butter. Even their better grades of butter lack uniform type. It is necessary and desirable that the creamery maker in manufacturing this butter should make all his output of a quality and type that would be suitable for the British market."

MUCH MONEY SPENT AND LITTLE RESULT

Extensive Experiments on Lignite Coal Have Not Produced Practical Product

From Our Own Correspondent.

REGINA.—Notice calling a conference of government representatives interested in the lignite briquetting experiments being carried on at Souris, Man., and Bienfait, Sask., in Winnipeg, came as welcome news to the average taxpayer. These experiments have extended over a long period of time and have proven decidedly expensive. There is a growing feeling on the part of the public that it is time the finished product appeared on the market.

A large sum of money has been expended, and without criticism—for this fuel is somewhat refractory—results appear to have been meagre. From time to time, announcement has been forthcoming from the Lignite Utilization Board, the body in charge of the experiments, that a solution had been arrived at, and that briquettes made from lignite mined in Southern Saskatchewan and Manitoba would shortly be available in quantity in the open market. The promises, however, have not materialized and so a feeling has developed in the provinces which are joined with the federal government in these experiments, that briquettes should be offered or the experiments stopped.

The success which has been achieved in Germany in briquetting brown coal and the U. S. achievement of successfully utilizing waste mine slack, are scarcely fair standards by which to compare the problem of Saskatchewan in this connection. The lignite in this province, though high in heat and energy-generating power, differs in many essentials from coals briquetted in other parts of Canada and the United States.

During the past month, 387 representative securities in London show shrinkage in value of £47,928,000, according to Bankers' Magazine.

U. S. INCREASED NEWSPRINT BUYING 29% OVER 1921

Total to End of November $2,167,193 Against $1,673,939

96% OF CAPACITY

Splendid Record of American Mills—993,000 Tons to End of November

From Our Own Correspondent.

MONTREAL.—A report of "Newsprint Service Bureau" covering statistics for the month of November provides a further point of view from which to estimate the very satisfactory growth in the production and sale of newsprint by Canadian mills during the past year. For a long time, owing partly to strike difficulties in the International Paper Co.'s plants, production of the United States mills was running below that of the previous year, and did not keep pace to any extent with the marked increase in the business of the Canadian mills. Latterly, however, the big company of the States has been in much better position so far as production and sales are concerned, and the United States figures of production have been gradually increasing relatively. The bulletin of the Bureau states that from 48 reporting companies there were produced during November 209,680 tons, of which practically the whole amount or 209,127 tons were shipped. The average daily production of newsprint paper by the mills during the month of November amounted to 95.3% of the average daily output during the three months of greatest production in 1920 or 1921, with allowances for the new machines that have been installed during the past two or three years.

Comparing production during the first eleven months of 1922 with that of the same period for 1921, United States companies reporting show an increase of 233,394 tons, or 25%, while the Canadian companies, whose production is less in the total, show an increase even greater in tonnage, of 259,860, or 35%. Taking the aggregate of the two the total increase in the eleven months amounted to 493,254 tons, or 29%. The total stock on hand of all reporting mills amounted to 30,269 tons, showing an increase amounting to 462 tons over the end of October, but still equivalent only to 3.6 days of maximum production.

The total production of the Canadian mills for the eleven months was 993,988 tons, or about 96% of capacity, compared with 734,128 tons during the corresponding period of last year. Shipments during the eleven months of 1922 amounted to 992,255 tons as compared with 728,539 during last year. The United States mills in the same time produced 1,173,205 tons and shipped 1,177,520 tons, or 88% of capacity. This indicates that among the mills reporting for both countries, Canadian mills were within 200,000 tons of the United States production. It must be remembered that a few mills in the United States do not report to the Newsprint Service Bureau, but even allowing for them, Canadian production shows a rapid gain upon the total of the United States.

	Tons per month	Av. per day
January	81,418	3,257
February . . .	78,294	3,262
March	85,973	3,184
April	83,731	3,349
May	94,502	3,500
June	92,588	3,500
July	90,282	3,611
August . . .	98,141	3,635
September . .	94,444	3,778
October . . .	97,467	3,749
November . . .	97,148	3,736
11 mos., 1922	993,988	3,512
11 mos., 1921	734,128	2,594

The total production in the two countries for the eleven months amounted to 2,167,193 as compared with 1,673,939 tons of last year. Shipments during this year amounting to even a little higher than that, or 2,169,775 tons, compared with 1,666,402 tons for the eleven months of last year.

Taking figures of daily averages, the production during the month of November in the Canadian mills amounted to 3,736 tons and the average during the eleven months 3,512 tons, as compared with an average in 1921 of 2,594 tons. The increase, therefore, is nearly 1,000 tons a day. In the United States mills the average production during the month of November was 4,328 tons, and for the eleven months 4,131 tons, compared with 3,309 tons in 1921.

The two countries together show an average for the 11 months of 7,643 tons as against 5,903 in 1921.

United States Foreign Trade Holds up Well

The foreign trade of the United States has held up remarkably well during the year, considering the many handicaps which have existed. Despite the depression of European countries, exports to those markets have been fairly well maintained. A considerable volume of foreign investment has no doubt been a factor in supporting this commerce.

The slump in export trade which occurred in the first half of 1921 was arrested in the early summer of that year and since that time the value of shipments abroad has fallen below $300,000,000 a month only during the period from November, 1921, to February, 1922, inclusive. Cotton and grain have been the chief items of export, but in recent months an improvement has been notes in sales abroad of manufactured articles.

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PARLIAMENT OF FARMERS TO TALK WHEAT MARKETING

One Resolution Asks Premier Dunning to Take Chairmanship

A POLITICAL PUZZLE

Motion to Rescind Resolution to Enter Political Field Passed Last Meeting Never Acted Upon

From Our Own Correspondent.

REGINA.—When the Saskatchewan Grain Growers' Association holds its annual convention in Saskatoon, January 26 to 30, it is probable the question of grain marketing will be brought to a showdown. It was from this organization, during 1922, that the most influential pressure was brought to bear in furthering the National Wheat Board scheme; it was through the political department of this body that federal members for Saskatchewan, those of Progressive color received instructions to press for government control of wheat sale and it was this organization, abetting the Canadian Council of Agriculture—in opposition to the wishes of Hon. T. A. Crerar—which circulated the greatest amount of Wheat Board propaganda.

The Saskatchewan Grain Growers' convention has for twenty-two years been the outstanding event of its kind in Saskatchewan's agricultural circles. The present federal minister of agriculture, Hon. W. R. Motherwell, was one of its original organizers and it has grown steadily until the last few years when the introduction of partisanship—as represented in political activity—caused a certain amount of dissension and caused falling-off in membership. Its present position, however, is a strong one. The fact that fifteen Progressives from sixteen confederal constituencies, were sent to Ottawa at the last election, largely through the efforts of the S. G. G., is sufficient indication of its power. Its conventions, because of the wide legislative scope of discussion, have been dubbed: "Farmers' Parliament." Appropriate or not, the title is certainly not irrelevant for expressions of opinions emanating from these conventions are invariably regarded as a reflection of what the majority of farmers in the province think and feel.

A Political Puzzle

This year, the position of the S. G. G. Convention is somewhat peculiar. In 1922, a resolution was passed by the association, expressing determination to enter the provincial as well as the federal political field; the object being to gain control of the Saskatchewan legislature and ensure even more favorable laws for farmers than are at present in effect. Though a Liberal government, Mr. Dunning's government is essentially a farmers' government. Many of its members are farmers and its considerate and progressive policy in respect to agriculture, finds little criticism even among political agitators in the Saskatchewan Grain Growers' organization.

For this reason, friction is almost certain to develop between the faction which believes Saskatchewan's present assembly is good enough for the farmer, and those who are endeavoring to whip up members to a point where the association can be used for political purposes. Though hitherto, this political activity has been kept somewhat apart, it has gradually manifested its presence in connection with even commercial questions and many feel the time has come when politics must either become the leading purpose of the organization or be dropped altogether.

Political Resolution

In this connection, a glimpse of the feeling in many quarters against the association taking part in politics in any form, is gained by perusal of a resolution which will be submitted to the convention at the request of the grain growers of Marquis, Sask.

"That the resolution of the 1922 general convention, to enter provincial politics, be rescinded at this general convention."

Some 150 resolutions are to be considered by the convention, dealing with a very wide variety of subjects. One of the most important ones dealing with politics, comes from Kerrobert provincial federal constituency, which aims at preventing members of provincial or federal parliaments from—at the same time—holding high office with the various farmers' co-operative bodies. Another outstanding demand made by a S. G. G. local, is that the association endeavour to induce Hon. C. A. Dunning to accept the chairmanship of the Wheat Board, should such organization become operative in the present year.

COMMODITIES MOVING

Increased Equipment Orders With Demand for Service

Further evidences of the remarkable increase in distribution of commodities in the United States are the new high records for seasonal freight car loadings in the autumn of the year. This unprecedented movement of goods has not resulted in corresponding net earnings of the railroads. This was due in part to the heavy purchases of equipment—139,275 freight cars and 2,175 locomotives in eleven months of this year, as compared with 23,346 cars and 239 locomotives in the whole of 1921.

Southern Competition Sends Plant to Canada

From Our Own Correspondent.

NEW YORK.—The Jenckes Spinning Co., the parent concern of the Canadian Jenckes Co. Ltd., Drummondville, Quebec, has decided to dismantle its mill at Central Falls, Pawtucket, R. I., and ship part of the machinery to Canada. New England cotton mills are finding it increasingly difficult to meet the competition of the Southern mills, and this move on the part of the Jenckes Co., is believed to be a step in the direction of meeting Southern competition, as the machinery not sent to Canada will be sent to a new mill in North Carolina.

The Jenckes Spinning Co. is capitalized at $20,000,000 and is one of the largest producers of yarn and fabrics for cord and fabric tires in the United States.

BIG PROBLEM IN PRODUCE TRADE IS MARKETING

Co-operation of Farmers Necessary Declare Produce Dealers

The biggest problem facing the Dominion of Canada is the proper marketing of the products of the country, is the opinion of the members of the Canadian Produce Association and they gave up a half a day of their annual gathering, held this week in Toronto, to consideration of bringing about a better co-operation on the part of the farmers in the matter of marketing.

Holding for too high prices by the farmer is constantly occasioning heavy losses to the farmer himself, to the country's trade and, as necessarily follows, to the produce dealers. The recent Christmas poultry trade was a glaring example. Farmers were offered 40 cents for turkeys. They held out for 50 cents. Then when the season was right on hand they became panicky. They flooded the market, broke the price and the result, from their own point of view, was that they got less on an average than they were first offered. The country's trade suffered. There never would have been a glut on the market if the farmers had let go their supplies earlier as there would have been a heavy export. As it was the export was below normal. The holding for too high a price makes the tremendous marketing problem much more serious than it should be. It is the proposal of the produce association to try and get the farmers to see the situation as they see it. Canada has a wonderful market in England for her produce, but must act if she is to retain it. For instance, until the last year or so, Canada had a margin of about 7 cents on the United States' eggs. Last year this was reduced to a couple of cents. The U. S. egg shipper has come around to the point where he has brought his packing methods up to a par with those of Canada and is gradually becoming a strong competitor for the English market. This factor leads some of the leading produce men to believe that 1923 will of necessity see a softening of the egg price.

The past year was a fairly stiff one for the egg branch of the business. For a time the egg situation was "scaley" to use the word of one of the leaders. However, it righted itself and while none of the dealers made money, they got their own out of it. The butter situation for the past couple of years has been complicated by heavy shipments of New Zealand butter. However, the 1923 outlook is most promising. There are good supplies and a firmness to the trade. Cheese has rose up strong. Last October there was an abundance of good cheese picked up at 17 cents. While the convention was on, one dealer disposed of a car of this cheese at 24 cents.

The produce trade on the whole has battled through two rather hard years. Today it is in good position to face a year of substantial trade which will be carried through with perhaps a slight easing of prices.

Strong representations are being prepared for the government on the matter of butter inspection and for a standard grading for export. For the present a drive is being made against adulterated butter on the domestic market. A Montreal dealer explains the method of doctoring butter with a view to cutting prices. This is being done in the large cities. If it is desired to undersell the market 5 cents, 10 per cent. of cocoanut oil is used. If the market is to be cut 10 cents then 15 to 20 per cent. of the undergrading ingredient is used.

COURSE IN EXPORT TRADE

Canadian Trade Commissioners Will Lecture—French-Canadian Course

From Our Own Correspondent.

MONTREAL.—The Department of Trade and Commerce announces that advantage has been taken of the presence in Canada of W. J. Egan, Canadian Trade Commissioner at Cape Town; G. R. Stevens, Canadian Trade Commissioner at Kingston, Jamaica, and P. W. Ward, Canadian Trade Commissioner at Singapore, to secure their assistance in connection with the "Extension Courses" in export trade which are to be held at McGill University and the University of Toronto this month. These officials will all co-operate in the lectures that will be given and those who take the course will have the benefit of their experience in foreign markets.

It is announced that the same course will be given by the "Ecole des Hautes Etudes Commerciales" of Montreal. This course will commence about the middle of February

PROTESTS ARISE OVER NEW STOCK SELLING SCHEME

Mining People at Sudbury Disturbed Over Latest Shining Tree Co.

CONFUSION TO RESULT

West Tree Stock is Rated as Lowest, Yet is Said to be Best Property in Camp

THE FINANCIAL POST has received protests from Sudbury in regard to what is termed an effort by brokers to give the West Shining Tree mining camp another black eye with the speculative public in the launching of the Shining Tree Consolidated Gold Mines Ltd. The new issue is being placed by Simons, Agnew and Co. The literature states that the stock is being sold at $1 and will return 75 cents to the treasury of the company. The Sudbury mining people, large holders of Shining Tree stocks and properties, do not object to this phase of the movement but seem angry over the manner in which other properties have been dragged in, resulting, they allege, in a false impression getting about as to what the proposition really is.

It is announced that the Shining Tree Consolidated is a merger of 29 claims, totalling about 1,000 acres, said to be located in the heart of the developed area of Shining Tree. The Sudbury folks point out that this is incorrect as Shining Tree has no developed area.

The real fly in the ointment, however, is the following proposal in connection with the merger. The circular reads:

"In addition to this, the company is planning to purchase up to 500,000 shares of stock in each of the following companies which are located adjacent to their own lands by exchanging their own shares for those of the other companies, as set forth below:

1	share Shining Tree	Cons. for	2	Atlas
1	"	"	2	Churchill
1	"	"	2	Buckingham
1	"	"	4	Wakenda
1	"	"	4	Algonquin
1	"	"	4	Westree
1	"	"	4	Wasapika
2	"	"	3	Miller-Adair

There are some real properties in Shining Tree, properties of known merit. On the other hand, little is known of the holdings of the Consolidated. The Sudbury people suggest that the shareholders of many of the companies be advised to not make the exchange into Consolidated shares. Certainly the situation promises to make for confusion. Also the matter of merit of the properties does not seem to have entered into the matter of fixing the basis of exchange.

As an instance of the confusion it might be pointed out that Wasapika shareholders are offered one share of Consolidated for 4 shares of Wasapika. Holders of Wasapika stock are now a minority interest. The control of the Wasapika mine is in the hands of the Ribble company which is operating the property. The Ribble company heads state that Wasapika stockholders interested in mining transferred into the Ribble shares long ago.

West Tree shareholders are asked to give up four shares in a property of real merit for something of unknown quantity. The West Tree property is declared by mining engineers, who have been over the properties in the camp, to be the best property in there. Yet on the basis of exchange and the present market the West Tree property is rated lowest. In fact, if West Tree holders decide to transfer, it would pay them to sell their stock on the market and repurchase some of the others. Here is the price of consolidated on the basis of exchange for the stocks listed:

Atlas	24
Churchill	Not listed
Buckingham	24
Wakenda	28
Algonquin	24
West Tree	41
Wasapika	29
Miller-Adair	Not listed

The history of the Shining Tree camp has been one of stock selling with little mining. Though the camp is a few years old, it was not until the past summer that there was any real mining work undertaken. The entry of the Tonopah people on the Herrick seems to have changed things considerably and the White Rock, Kingston and Ribble got real work under way. The West Tree has been trying but there is eternal trouble. Senator Prouse recently intimated that there were those interested in the company who wished to continue making it a stock proposition instead of a mining venture. He, as vice-president, was fighting this.

Compensation Refund Held up Three Years

In December, 1921, the Ontario Workmen's Compensation Board made a refund to manufacturers on the 1920 assessment on the basis of merit rating. This merit rating refund is an adjustment between the amount of the preliminary assessment and the actual costs of accidents, etc.

Manufacturers who have been looking for a refund on the 1921 assessment with the turn of the year find that there has been a ruling that in the future adjustments shall be made only once in three years. Therefore, the next adjustment, covering 1921, 1922 and 1923, will be made in the fall of 1924.

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News and Views for Investors

W. A. Rogers

Rogers common moved up to 57 recently, making a straight jump over the new year from a last 1922 sale of 48 to a first 1923 sale of 56, after having hovered below 50 since the latter part of October. In the middle of October, 1922, the stock moved up to 55 where it stayed a short time and it is believed that the same reason lies behind the recent advance, a hope that the dividend abandoned in 1917 would be resumed. There has been no official intimation that a dividend might be forthcoming.

Milling Stocks Advance

Ogilvie milling stock, which during Christmas week scored an advance from 280 to 290 has almost redoubled the feat since the first of the year and now stands within striking distance of the 300 mark. Other milling stocks have also come to the front, Lake of the Woods also being in demand. This issue has also made a recent advance of six points. The increased interest is due to the fact that the industry has had a good year, all things considered. There has been good grain, in good supply and prices have averaged lower. The flour market has been favorable both for domestic and export supplies. The latter has steadily increased.

Canadian Locomotive

Canadian Locomotive preferred has moved up from 85 to 89¼ on sales of eleven shares, the advance being made in one jump, but no common has been traded in for some time, the last sale being in the middle of December at 68. Evidently the rise in the preferred is a reflection of the fact that the company has recently received a large order from the Canadian National Railway for new motive power. Included are 16 new engines larger than anything ever made in the Dominion before and guaranteed to draw 16 steel coaches at 70 miles an hour. They are for the Toronto-Montreal service. The company has a capital reserve of over $1,253,000 invested in securities and bonds. Current assets are $1.637,810; current liabilities $189,900.

Interest in Canadian Car

Investment interest in Canadian Car and Foundry centres around the prospect that the Canadian railways will have to purchase considerable new equipment during 1923. According to company officials the outlook is encouraging. With regard to export trade, however, there is no prospect of improvement until financial conditions in Europe and other parts of the world are more settled.

During the past year both domestic and export markets for the company's products were practically stagnant. The general trade depression which was carried over from 1921 continued throughout the greater part of the year and Canadian railways generally did not come into the market for any large quantity of equipment while, owing to the disturbed state of Europe's finances, it was not possible to develop export trade. Buying by the Canadian railways is expected to follow the improvement in business conditions.

Crown Reserve

Crown Reserve has reached 40 cents this week and is still in that vicinity as compared with a market price of 10 cents just one year ago. The stock has moved up gradually on reports of favorable results being achieved on its Larder Lake property. But the real movement came as the result of the excellent results obtained on its claims in the eastern section of Kirkland Lake. The best results have been obtained on the 300-ft. level. The vein is said to average about 18 feet and to carry ore of good commercial values. It should be remembered, however, that the treasury of the Crown Reserve is practically exhausted. To properly operate this property a mill will be necessary before production can go on. This may mean the issuance of bonds or reorganization.

English Electric

Some surprise has been occasioned by the fact that the English Electric Co. passed its preferred dividend for the last quarter of 1922. Perhaps the most surprised of the stockholders reside in St. Catharines where the plant of the company is located. They state that they understood that the reserve of the old company was sufficient to pay the preferred dividend of the new company indefinitely. This may be a fact. It is not denied. Just at present no figures are available. The company's year ended with the calendar year and the annual statement is being prepared. In the meantime the Canadian Debentures Corporation which underwrote the preferred stock is writing all the shareholders telling them to retain their confidence. They state that they believe the action of the company is best serving the interests of the stockholders with conditions as they now are and accept the recent action as an evidence of sound management. They point out that as the dividends are cumulative the shareholders will not lose in the end.

May Change Control

The Teck-Hughes-Orr merger has been completed after a few years of talk and negotiations, back and forth. Those in touch with events have always stated that the merger would certainly be made and that all the jockeying and talk was with a view of hunting out a favorable opportunity. The Orr is the old Kirkland Porphyry and will add 300 acres to the Teck-Hughes four claims of 115 acres. Maps of the camp only show the Teck as three claims, but the fourth, No. 1825, practically covered by Kirkland Lake was purchased for $25,000. South of the Teck and partly adjoining the Lake Shore are two of the Orr claims. Farther south again, below the Canadian Kirkland is another parcel and a third is located farther west. Teck-Hughes will increase its capital by a million shares to $5,000,000 and pay the million for the Orr property. Prior to the consummation of the deal the stock reached a new high of 99 but since reacted. This is said to be due to talk of a possible change in control. Interests which controlled the Orr are said to be angling for control of the new company and to be in a fair way to get it.

Winnipeg Electric

Current earnings of Winnipeg Electric are running higher. This is the season of "peak loads," when the street cars are averaging 220,000 passengers per day compared with 130,000 passengers per day in the summer. The increase is directly attributable to Winnipeg's winter climate which makes it more feasible for the autoist, the cyclist and the pedestrian to use the street cars for general transportation. In order to take care of the peak loads in winter the street railway company here must, however, maintain much equipment representing a large investment and which is revenue bearing only in the winter time when operating cost as well as traffic are at peak. The result is, that while the gross earnings at this time are high, it does not follow that the net results will be correspondingly high.

Comments on Various Stocks

In their weekly "stock letter" Greenshields & Co. remark that "Toronto, which has heretofore taken little interest in our paper securities, is reported to have been a good buyer, especially of Brompton and Abitibi." Other comments include the following:

Dominion Bridge.—"The company should do a better business this year; the stock seems to be selling high enough for the time being."

Wayagamack.—"The present year should be a profitable one for the company although there is probably no hurry to buy the stock. It is a closely held issue, which might explain why the market price suggests that the dividend is nearer than we believe to be actually the case."

Bell Telephone Co.—"We believe this stock is one of the most desirable investments and conservative purchases in the market."

Canadian Industrial Alcohol.—"Earnings are reported to be far in excess of present dividend requirements and at the current price the stock looks like a good speculative purchase."

Canada Steamships preferred.—"In view of the probability of the annual statement showing a strong financial position and the preferred dividend earned, this stock should be a good speculative purchase in anticipation of the resumption of dividends by the end of the year."

RAILWAY REVENUE BADLY CUT DOWN BY FREIGHT RATES

Traffic 26 Per Cent. Greater But Revenue Only 5 p.c. Up

RECORD FREIGHTS

October Largest in History of Canadian Roads — C.N.R. Showed Net Revenue of $2,100,000

From Our Own Correspondent.

MONTREAL.—Some conception of the heavy decline in revenues on Canadian railways as a result of the cut in freight rates, which was small in the East but ran as high as 30 per cent. for wheat and flour in the West, may be gathered from the report of the Dominion Bureau of Statistics covering the operations of the roads for the month of October last. It is stated that, while the mileage covered by the freight, or what is termed technically "revenue ton miles," showed an increase over October, 1921, of 26½ per cent. and over October, 1920, of 26.6 per cent., yet on account of the decreases in rates the total revenues were only 5 per cent. greater than for October, 1921, and were actually 7 per cent. below October, 1920. This in spite of the fact that the railways in Canada as a whole carried more freight during October than any other month in its history, the grain crop carried being the largest in the history of Canada for the same period, contributing very materially to the increase in the volume of freight. Owing, however, to the fact that the decrease in freight rates hit the railways most where their tonnage was highest, the net returns gave the rather disappointing result mentioned above.

The Canadian National Railways, covering the government system, with the exception of the Grand Trunk Railway, carried the largest volume of freight in a single month in their history and showed indeed a tremendous increase. Not only was there an advance of about 29 per cent. over October, 1921, in the amount of freight, "revenue ton milles," and of 50 per cent. over October, 1920, but there was an increase of 548,000,000 ton miles in August to 1,500,000,000 ton miles in October, which itself was nearly 400,000,000 ton miles greater than the total for September, namely, 1,161,000,000. However, the average receipts per ton mile declined from .870 cents in October, 1921, to .762 cents in October last.

It is interesting to note that net operating revenues increased from $1,033,321 in October, 1921, to $2,156,743, or over 107 per cent., while the operating ratio dropped from 91.92 per cent. in October, 1921, to 84.68 per cent. This latter is the most promising result so far recorded in the operation of the National Railways as a government enterprise. Last year the National Railways were operating on an average well over 100 per cent. of gross receipts.

The Grand Trunk Railway showed an increase in revenue for October of $425,052, or 6 per cent., with operating expenses increased by $559,757 or 9 per cent., reducing the net operating revenue by $134,704. The operating ratio increased from 87.08 per cent. to 89.59 per cent. It is curious to note that for the first time, it is believed, the operating ratio of the National Railways, as distinct from the Grand Trunk, was lower than on the Grand Trunk. This must be considered as due partly to the enormous tonnage provided by the grain crop even under the greatly reduced scale of freight rates. It is noted also that the large increase in operating expenses was in maintenance of equipment which increased $581,615 or 38.7 per cent. on the G. T. R.

Taking other figures in connection with the steam railways of Canada it is seen that freight earnings amounted to $38,314,000 as compared with $35,770,000 in 1921. Passenger earnings, however, amounted to $6,746,000, a decrease from $6,873,000 in 1921. The total railway operating revenues in all the roads amounted for October to $49,458,000 as compared with $47,100,000 for October, 1921. With operating expenses of $37,717,000 there was net operating revenue on all the roads of $11,741,000 as compared with $9,969,000 in 1921. The total amount of the payroll for the month was $21,150,000, or almost the same as the previous year, which was $21,236,000, the former standing 56 per cent. of the total cost of operating.

Plans for Riordon Within Few Months

MONTREAL.—In dealing with the Riordon Co., "Investment Items," Royal Securities Corporation says:

"Both Kipawa and Hawkesbury mills are running full, and are selling their product at reasonably satisfactory prices. On the whole, the company's business is showing a measure of improvement proportionate to the recovery in business generally.

"The matter of reorganization of the company's finances is constantly under consideration by the bankers concerned and, if operating conditions continue to show improvement it is probable that a plan will be put forward within the next few months.

Manhattan skyscraper builders are preparing to put $250,000,000 this year into landmark projects, of which more than $150,000,000 will go into business structures, while the balance will go into apartment houses of 9 to 15-story type.

NEW ISSUE

$2,500,000

WINDSOR HOTEL LIMITED

6½% 20-Year First Mortgage Sinking Fund Gold Bonds

Dated January 1st, 1923. Due January 1st, 1943.

Principal and semi-annual (1st January and 1st July) interest payable at the Royal Bank of Canada, Montreal, Toronto and Quebec. Coupon Bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal only. Redeemable in whole or in part at the option of the Company on ninety days notice at 105 and accrued interest

Trustee: The Montreal Trust Co., Montreal.

CAPITALIZATION

	Authorized	Issued
6½% First (Closed) Mortgage Bonds due 1943	$2,500,000	$2,500,000
Common Stock	3,000,000	2,500,000

1. These Bonds are secured by a First Closed Mortgage on assets totalling over $6,600,000.00, or over two and a half times the bond issue.
2. The value of land and buildings alone is equal to over twice the bond issue.
3. The average net earnings for the past three years have been over three and one-quarter times the bond interest requirements.
4. For the past five years the net earnings have averaged almost two and three-quarter times the bond interest.
5. The property and equipment is insured for $2,700,000. In addition a revenue policy is carried insuring against loss of income in the event of the building being damaged or destroyed by fire.

Price 100 and accrued interest to yield 6.50%.

Full particulars upon request.

NESBITT, THOMSON & COMPANY
LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG LONDON, ONT

HANSON BROS.
MONTREAL OTTAWA

RENÉ-T. LECLERC
INCORPORATED
MONTREAL QUEBEC

The statements in this circular are not guaranteed, but are based on information which we believe reliable and on which we acted in purchasing these securities.

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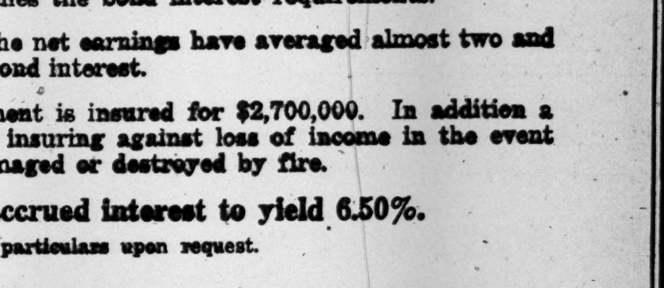
NEW EQUIPMENT ORDERS

Canadian Locomotive and National Steel Car have announced receipt from the Canadian National Railways of equipment orders—the locomotive order is said to be of considerable size while the car company's order is for 1,060 new cars of a value of $3,500,000. Both orders will be proceeded with at once. The Canadian car and other such companies are also expecting such orders. The Algoma steel plant at the Soo has received an order for rails and will reopen its rail mill on March 1.

STEAMSHIP EARNINGS

The operating profit of the Canadian Steamship Lines to Nov. 30 is announced by President W. H. Coverdale as $1,785,453 as against interest charges of $656,439. The result of operations for 1922, calendar year, are now being pre-


Zinc
*—Ex-dividend.
London Closing Prices
BRITISH CONSOLS for Money 56½
British 5 per cent. loan.... 99¾
British 4½ per cent. Loan.. 96¾
102¾
52

The highest standard of security in the world
BRITISH CONSOLS
The highest standard in cigarettes
BRITISH CONSOLS
10 for 18¢ 20 for 35¢

Following German Mark in Headlong Fall With Hectic Investor Promises

"Dream" Prophesies of Montreal Dealers in Foreign Securities Shattered Before the Ink Has Dried on Their Circulars—Is the Public Still Gullible?

From Our Own Political Correspondent.

MONTREAL.—Like the poor, the German mark is always with us.

So is the German mark circular.

In spite of the shocking set-back the predictions of the authors of these circulars have received for the past 18 months they still bounce up, ready for the next victim, or play a new tune that may yet appeal to the wounded susceptibilities of the already stricken "investor." And in this latter they frequently succeed: for the gambling spirit in mankind rarely has been heard to sing its swan song.

It seems necessary for THE FINANCIAL POST to issue another warning against "investment" of good money in German marks or government or municipal bonds. It is all too uncertain. A review of the circulars of these firms is all that is needed. Every little while they are forced to cut prices of their offerings, marks have slumped so much. At the present time the mark is not one-hundredth of the value it was when these circulars were sent out proclaiming the remarkable values that were being offered. Those bonds are worth now only 1 per cent. The loss to the "investor" has been $99 out of every $100 he put in. The decline has been steady. At no time in that period could he have realized in a sale of these bonds the amount he invested so trustingly. As a matter of fact the current charges for the bonds are many times what the face value of the bonds would realize if converted into marks and exchanged for usable currency. So it has been all along. The investor sustains a loss at the outset even if the price of the mark does not slump.

Ten Times the Par Value

In a circular sent in the same day to THE FINANCIAL POST from two different correspondents, quotations are given of an offering of a bond of 50,000 marks for $62.50. As a matter of fact, the international exchange market at the time was actually below 100 for a cent, so that the par value of 50,000 marks would have been even less than a five-dollar bill.

Five dollars' worth of marks on the 50,000 basis for $62.50 seems like charging a fair amount as "reasonable profit," with everything else chargeable taken into the combination. Five dollars' worth for $62.50 or one dollar's worth for $12.50. The "bargain" is hardly visible to the naked eye.

Investors should throw the effusive manufactures of these houses into the waste paper basket, as utterly unreliable. They have been preaching the "return" of the German mark for nearly two years now, and on Tuesday of this week IT REACHED THE LOWEST POINT IN ITS HISTORY, 95 cents for one hundred marks where the normal price was 23.8 cents each of $23.80 for one hundred marks. The present price is just ONE TWO THOUSAND FOUR HUNDREDTH PART OF NORMAL

They Must Have Meant "Falling"

Here is a quotation from a circular dated Dec. 21, 1922,—a very recent one—and probably still going through the mails:

"German exchange is rising.

"All America is speaking of the recent rise and further substantial advances imminent in German marks and Germany's 5 per cent. government bonds.

"The recent rise is merely a forerunner.

"With the present strength in German and other exchanges Europe is rapidly approaching the long-expected state of recovery and prosperity.

"There are tremendous profits to be earned in the continued rise of German bonds."

Suggested by a Dream, Perhaps

On the theory that dreams go by opposites, this prophecy must have been suggested by a dream. There have been many rude awakenings since the long series of circulars from this Montreal house first began its career—along the downward pathway of the German marks.

A NEW CAMPAIGN TO SELL MARKS TO CANADIANS

(Continued from page 1)

bonds in order that the average price paid for the eventual total holdings may be less and the loss on the average smaller.

While these appeals are apparently succeeding both in the United States and in Canada, it is the companies which claim to be investing their funds in gilt-edged German bonds and solicit purchases of their stock by holders of marks who seem at the present time to be making the most effective drives. Your correspondent was told this week by an officer of one of these companies that they are not only selling their stock but are apparently succeeding in persuading both Canadians and Americans to buy more marks in order that they may buy stock in this particular company.

As one banker pointed out to THE FINANCIAL POST, all of these houses in their appeals to the investing public frankly acknowledge that the German mark cannot recover. The mark, they say in effect, will go still lower and will eventually lose its value entirely.

But why worry? Buy the "mark" bonds of the "investment corporation" with your marks or bonds and obtain an interest in German real estate or the German corporations the corporation controls.

As one such house phrased it in a letter addressed to the world at large, "You won't care if marks go down. No matter what happens to the mark, your investment in real estate will be based on real values."

As a sales argument, as more than one Canadian banker has had occasion to point out to his customers in Canada, this is no doubt excellent; as a reason for buying German marks or German bonds in order to buy the stock or bonds of an "investing corporation," it is specious in the extreme. The assets of German corporations or German real estate have no fixed value which can be regarded as permanent with conditions in Germany as they are today. Capital taxes, or a capital levy, for instance, imposed by the German government would be as certain to cut the value of real estate or manufacturing plants as further issuance of paper money will be to cut the value of the mark still further.

INVESTMENT FUNDS CAUSE ADVANCE IN SEVERAL ISSUES

Bank Group Came in for Considerable Attention

BONDS ALSO STRONG

Market has Been Marked by Light Trading But Price Tendency Seems Upward

The market for the past week has been for the most part strong but neglected. The strength appeared mostly in issues looked upon as being of strictly investment character and in the car group and milling. Offerings are said to have been meagre, so that where there was any buying at all there was price enhancement.

Around the first of the year there is generally considerable new funds available for investment and this is now gradually coming onto the market, according to leaders in the street. This has brought the bank list to the fore and there has been a considerable turnover in such issues and in some cases a material advance in price.

The car group has provided leadership for those with the speculative bent. Interest in these issues has been fathered by the expectancy that the Canadian Railways would soon place large orders for rolling stock. These expectations are now in course of being realized.

Street leaders state that the volume of business since the first of the year has fallen below the average. The broadening out of the list is also slower in taking place. In fact, it has yet to take place. However, they say that a little more activity will bring the public into the fold again. In scouting around for a reason for this neglect, they point to Europe, but such a reason is hardly taken as serious by many.

Montreal is standing by its paper issues with considerable of the trading of the day marking this group. Prices are up and down within a narrow range. The traction group which has shared interest with the papers on the Montreal board and have been active for a few weeks in Toronto, were by no means neglected and the tendency of their prices was to firmness.

Milling issues are keeping up their strong position while a couple of this group have made substantial gains. The improved position of the industry as a whole is said to be responsible. The textile and specialty groups have been more or less neglected. In the bond list there has been strength, another fact due to the available investment funds. Some of the Victory issues have moved up to a new high.

The mining issues have been up and down but generally the market has been strong with considerable trading in some of the leading gold issues. The silvers have been more or less neglected despite the talk of a higher price for silver.

Some of the leading brokers are quite optimistic as to the market outlook. They are sure that easy money will continue for some time and they here see a good opportunity for a wide market. They also expect a higher market as they expect that this year will see a vast improvement in business and believe that the market should start in to discount this improvement. The fly in the ointment, however, seems to be that the U. S. is facing a serious shortage of unskilled labor for its industries. Havden and Stone say of the outlook:

> The money situation is still easy and promises to remain so for some little time. The first signs of strain are likely to show here. Until the last week or so the market, with few exceptions, seemed to accomplish little. Previous to that there had been a reaction in which about one-third of the advance had been lost; all that time, however, business had been steadily working forward. Now business has, in a sense, caught up with the market. It has justified the advance that the market enjoyed for a year up to September last; the next movement, in a broad way, will be for the market to discount the future course of business. Believing that this will continue for some time yet on an upward trend it is natural to expect that the market movement will also be in that direction, though always remembering that it is getting closer to the top.

Promoters Found Guilty of False Pretences

That the enforcement of existing laws rather than new laws is the effective method of checking up the operations of promoters is indicated by the conviction this week at Hamilton on a charge of false pretences of Robert McLelland, of Toronto, and Norman Ingledew, of Hamilton. The case arose out of the sale of stock in the Instantaneous Heater Company to Mrs. Gow. McLelland was represented to be the president and general manager, and Ingledew the agent and sales manager. Mrs. Gow bought $1,000 worth of stock in the company and later was asked to invest another $1,000, and promised that this would be sold for her at an advance of $500 over the sale price. When the stock was not sold she made complaint. A stated case has been granted.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter, reported by the Consolidated Mining and Smelting Company, for the first week of January, amounted to 11,343 tons; 10,161 tons of which were produced by the company's mines and 1,182 tons by other mines.

Linking Suburban Towns with City Stores by Long-Distance

Bell Telephone Co. Making Arrangements by Which Store Supplies Free Connection to Outside Customers—"Velvet" Business

From Our Own Political Correspondent.

MONTREAL. — References have been made to the substantial increase in net earnings of the Bell Telephone Co. during the past year. Not the least productive of the revenue-producing departments of the company is that of "tolls," as the company terms it, or, as it is more familiarly known to the public, the long-distance end. The company has developed a number of clever publicity "stunts" that have found fruitful sources of increased business.

The latest, probably, of these was the advertising preceding Christmas, when the suggestion was made in a large number of mediums throughout the country that Christmas messages be sent by the human voice to friends at home during the day in preference to the more mechanical form of a written message. Reports that have been received indicate that there was an immediate response in the way of increased business by long-distance during the day at practically every centre in the two provinces and the aggregate increase was far beyond expectations.

Another form of business-getter in connection with the long-distance which the company is endeavoring to extend, is concerned with retail business houses and their search for trade in suburban points. One instance will illustrate this. The town of Lambert, with a good buying population, is located across the river from Montreal. The great majority of the people who live there have their business connections in Montreal, and naturally are familiar with the large retail stores of this city. A look at the telephone directory of St. Lambert will show that several retail business men of Montreal are listed in St. Lambert telephone directory as if they were local phone numbers.

More than that, if a resident of St. Lambert desires to communicate with any one of these stores, all she has to do is to call up her local operator and ask for that number, and she—for naturally women's orders predominate—will be talking at once over the river to the operator in the retail store in Montreal. They can thus give their order free of any long distance tolls, just the same as if they lived in the city itself and were connected directly with the city stores.

Several of the department stores and high-class groceries and others are adopting this long-distance connection. The stores in this case pay at the rate of so much per quarter mile per month, that being the basis of charge. If the distance is long, this would represent a considerable rental for the privilege during a year, but naturally the retail merchant would not make the arrangement and incur the expense unless he felt that he could develop sufficient new business in that centre to make it worthwhile. The telephone company, then, is in the position of presenting to a business man a method for extending his service to customers, much in the same way as the big department store radiates from the city in Canada or the United States in daily or semi-weekly deliveries, and this service results in a steady increase in business.

This plan of providing long-distance connections free of charge to town or small city customers promises to develop on a large scale all over the Bell Telephone Co.'s field, and is likely to take in not only Montreal and Toronto, but Hamilton and Ottawa and Quebec—to mention the 100,000 population cities—and even the next grade such as London with its 55,000 or more.

This business means, as a rule, and is regarded as so much "velvet" to the telephone company, as it can readily be judged that scarcely any of the calls would be made—certainly by women customers—if they had to pay the 10 or 15 or 25 or 30-cent tolls required under an individual long-distance connection.

READJUSTING SUGAR INDUSTRY TO NORMAL

Refiners and Wholesalers Confer in Effort to Bring More Regular Conditions

From Our Own Correspondent.

MONTREAL.—In conferences that have taken place between the wholesale grocers of Ontario and Quebec, and the sugar refiners, an effort was made to secure a "return to normal and regular business principles in the conduct of the sugar business." The wholesale grocers asked the refiners to sell only to wholesalers and manufacturers; to prevent re-sale by manufacturers; that no sales should be made by the refiners "in less quantity than carlots;" and the "the refiners be requested to submit a list of their customers."

The refiners in their reply declared they welcomed "the desire of the trade to re-establish conditions as they used to be." They agreed to limit sales to manufacturers and wholesalers on condition that "present channels provide a satisfactory distribution" of their products. They were unable to agree to the carlot basis, declaring some manufacturers were unable to buy in such a large quantity. Nor were they willing to submit a list of their customers, although they promised to scrutinize them.

In order to eliminate abuses in the credit system, they have put into effect a rule whereby all purchases become due and payable in 14 days from the date of the sale.

U. S. BORROWINGS LARGE

American state and municipal borrowing apparently reached its peak in 1921 with total bond issues of $1,383,368,900. According to the estimate made by The Daily Bond Buyer of New York, bond sales by all states and municipalities and U. S. insular possessions will amount to $1,253,862,437 for the full year 1922.

DOMINION STORES

Directors of Dominion Stores Limited have declared an initial dividend of $1 per share for the common stock, and payable 50 cents per share, on April and October 1 to shareholders of record on the first day of March and September next. Regular semi-annual dividends at the rate of 8 per cent. and 7 per cent. respectively, on Class A and Class B preferred shares were paid on January 1. The Dominion Stores is a large grocery chain-store system in Canada, and at present operate 191 stores.

HOWARD MURRAY ADDED PARTNER

Aldred & Co., 40 Wall St., New York, make the following announcement in reference to a member of their staff: "We beg to announce that Mr. Howard Murray, vice-president of the Shawinigan Water and Power Company, and of Aldred & Co., Ltd., Montreal, Canada, has this day been admitted to general partnership in our firm."

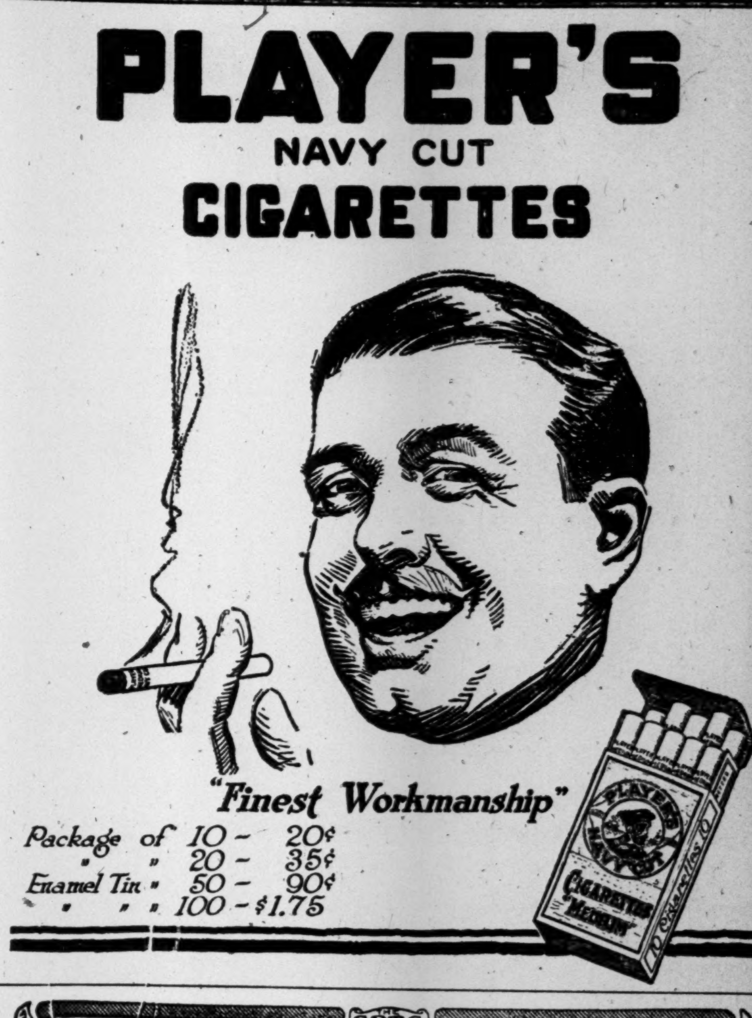
UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mtge., 6's, 1940	94¼	95
Algoma Steel, 5's	..	39¾
Alta. Pac. Grain, pfd.	86	90
Do., com.	104¼	110
American Sales Book, 6's	97¾	..
B. P. & P., 8's, 1941	103½	..
Burns P. 1st, 6's	102	..
Can. Machinery, pfd.	33	38
Can. Westinghouse	118	..
Cock. P. pfd. 7% xd. 1%	37	42
Coll. Shipbldg., com.	50	57
Davies, Wm. Inc. 1942	..	99
Do., 6's	104¾	..
Dom. Sewer pipe, com	25	30
Do., 6's	90½	..
Durant Motors	12	13¼
Dunlop Tire, pfd., 7%	79	82
Do., 6's	96½	..
Eastern Car, 6's	91½	95
Eastern Theatres, pfd.	65	..
Do., com.	6	6¾
Excelsior Life	32½	..
F. Play., pfd., 50% com.	66	..
Gunns's pfd.	87	..
Goodyear Tire, com.	15	..
Harris Abattoir, 6's	98¼	..
Home B. of C. 7% xd. 1%	..	96½
Inter. Milling, pfd., 7%	88	..
Do., 6's	94	..
King Ed. Hotel, 7's	83	84¾
Manitoba P., 7's 1941	96	100
Manuf. Life, 20% paid	45	..
Massey Harris	..	54¼
Mattigami P., deb.	..	37
Mercantile T.	97	..
Mex. N. Dev., com.	7	9
Milton Pressed Brick	34	..
National Life, $25 paid	50	..
Nia. St. C. & T., 5's	85½	..
N. S. Steel, 6% deb	86¼	88¾
R. Simpson, pfd., 6%	88	89¼
Spanish River, 8's	103¾	104¾
St. Clay Prod., 6's	..	88
Sterling Bank	104	107
Sterling Coal, com.	18	20
Sun Life Assurance	150	..
Toronto Brick	72	..
Toronto Paper, 6's	92	..
Toronto Power, 5's	97½	100
T. & Guarantee, 6%	70	73
Western Assurance	5½	6¾
Western P. Co., 5's	82	83½
Whalen Pulp, pfd.	..	21¼
Do., 7% deb.	61	63

STOCK MOVEMENTS OF THE WEEK

Week Ending Jan. 9

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12+1	197	195	198	196¾	197¼	252
Dominion	12+1	198	—	198	192	198	104
Hamilton	12	170	—	170	170	170	16
Hochelaga	10	152	—	151¼	151	151	35
Imperial	12+½	—	181	181	180	181	368
Molsons	12	—	170	171	162	171	47
Montreal	12+2	—	230	232	230½	232	298
Nova Scotia	16	253	—	254	253	254	106
Royal	12+2	—	213½	214½	208	214	107
Standard	14	—	204	205	203	205	13
Toronto	12	182½	181½	183	182	182	110
Union	10	—	138	138	138	138	34
Industrials, Utilities, etc.—							
Abitibi Pulp & Paper Co.	4	68½	68	70	68	68	2270
American Salesbook, com.	8	36½	35	37	35	36¼	190
Do., pref.	7	92	90	90	88	90	94
Asbestos Corporation, com.	6	65¾	65	66	65¼	65¾	295
Do., pref.	7	85	84	85	84½	84½	176
Atlantic Sugar, com.	—	23	21½	23	22½	23	141
Do., pref.	—	42	—	42½	42	42	31
Barcelona Traction	—	16	15⅝	17	12¾	15¾	6054
Bell Telephone	8	115	114	115	112	115	2557
Brazilian Traction, com.	4	42½	42	45	42¼	42¼	5148
Bird & Son, pref.	7	90	89	89	89	89	20
British Empire Steel, com.	—	10	9	9¾	9	9	395
Do., 1st pref.	7	73	72¾	73	71¾	72	373
Do., 2nd pref.	—	26	25½	26¾	25⅞	26	2116
Brompton Pulp, com.	—	38½	38¼	39¾	38	38	3354
Burt, F. N., com.	10	127	125	125	123½	125	55
B. C. Fishing	—	25	—	24	24	24	50
Canada Bread, com.	—	—	56½	57	54	56½	254
Do., pref.	7	95	93	94	93	94	38
Canada Car & Foundry, com.	—	34¼	33¼	34⅜	32	34	915
Do., pref.	—	—	70½	71½	68	71	1481
Canada Cement, com.	6	78	77	78¼	77¾	78	544
Do., pref.	7	—	99½	100½	100	100	222
Canada Steamships, com.	—	19	18	19	18	18½	265
Do., pref.	—	55	54½	56¾	54½	55	1141
Canadian Converters	7	94	93	94	92½	94	197
Canadian Cottons, com.	8	114¼	113½	115	113½	115	523
Do., pref.	6	90	86	86	86	86	22
Canadian General Electric, com.	6	82	81	83	80	81	364
Do., pref.	7	—	103	103	103	103	50
Canadian Locomotive, pref.	7	89	—	89¼	85	89¼	11
Canadian Pacific Railway	10	145	143	146	144½	145	262
Canadian Salt	8	100	99	100	100	100	46
City Dairy, com.	10	141	137	142½	141	141	20
Do., pref.	7	100	97	97	96	97	44
Consumers' Gas	10	157	—	157	157	157	45
Crow's Nest Pass Coal	6	50	—	50	50	50	10
Detroit United Railway	6	—	67½	68½	67¾	68	390
Dominion Bridge	4	73	71	71½	71	71	241
Dominion Canners, com.	—	32	30	31½	30	31	120
Do., pref.	7	77½	—	79	77½	77½	104
Dominion Glass, com.	6	93	90	91	89	90	1526
Do., pref.	7	99½	98½	99½	99	99	15
Dominion Telegraph	6	44	42	44	44	44	100
Dominion Textile, com.	12	192	190⅝	194	183	190	1731
Do., pref.	7	—	107	107	107	107	10
Dominion Coal, pref.	7	—	83	84	84	84	90
Dominion Iron, pref.	7	—	70	73	72	73	42
Dominion Steel Corp., pref.	6	—	79	80	79	80	98
Duluth Superior	—	29½	28½	32	28½	29	597
Goodyear Tire, pref.	7	87	86	88	85	87	63
Howard Smith Paper, com.	6	80	79	80	80	80	220
Do., pref.	8	103	101	102	101	102	100
Illinois Traction, pref.	6	78	77½	78½	77¾	78½	145
King Ed. Hotel, com.	10	55	—	54	53	53	19
Kaministiquia Power	8	—	103	106	103	103	17
Lake of Woods Milling, com.	12	182½	182	184½	177½	183	581
Do., pref.	7	113½	—	113½	113½	113½	5
Laurentide Paper	6	94	93½	94⅝	93	93¼	348
Lyall Construction	—	45	40	45	45	45	30
Macdonald, A., com.	—	11⅝	11½	11½	11½	11½	50
Mackay, com.	7+10	106½	105½	107	105½	106½	906
Do., pref.	4	—	69¼	69¾	69	69¾	248
Maple Leaf Milling, com.	8	—	120	122	122	122	50
Do., pref.	7	97	96	99	97	97	68
Montreal Light, Heat, com.	5	108½	107	105½	104½	104½	2832
Montreal Telegraph	8	52	—	52	52	52	3
Montreal Trams	10	155	—	155	155	155	3
National Breweries, com.	4	49	48⅞	49½	48½	48½	425
Ogilvie Flour, com.	12	300	—	298	288	298	160
Do., pref.	7	115	—	115	115	115	25
Ontario Steel Products, com.	—	42	35	40½	39¾	40	295
Ottawa L. H. & Power	6	89½	—	90	89	89	140
Pacific Burt, com.	6	97	94	95	95	95	10
Do., pref.	7	99	98	99	99	99	84
Penmans, com.	8	130	—	130	127¾	130	195
Do., pref.	6	93	92	94	93¾	93¾	60
Porto Rico Railways, com.	—	27	26	26	26	26	10
Do., pref.	7	80	78	80	77	80	6
Price Brothers	2	46	45⅞	47	45	45	694
Provincial Paper, pref.	7	93½	—	93	93	93	5
Quebec Railway	—	—	23¼	24¼	23½	24	120
Riordon Pulp, com.	—	7	—	5¾	5	5	140
Rogers, William, com.	—	57	55	57	56	57	206
Do., pref.	7	87	—	86⅜	86⅜	86⅜	5
Russell Motor, pref.	7	62	58	60	60	60	10
Sawyer-Massey, pref.	—	—	15	15	12	15	20
Shawinigan	7	115	114⅞	115	112	115	1927
Sherwin Williams, pref.	7	—	—	98	98	98	10
Spanish River Pulp, com.	7	97¼	—	99¼	96½	96½	3341
Do, pref.	7	105½	—	107¼	104⅞	104⅞	1725
Steel of Canada, com.	7	65½	64	68¼	65¾	66	1849
Do., pref.	7	96	94½	96	95	95¼	367
St. Lawrence Flour, com.	6	77½	77	77½	77	77½	125
St. Maurice Paper	5	93	—	92½	92	92	180
Toronto Railway	—	85	84¾	85½	84⅛	85	788
Tuckett Tobacco, com.	4	55	52	55	54	55	60
Twin City, com.	4	60	59	60½	59¼	60	495
Wabasso Cotton	4	74	73½	74	74	74	10
Wayagamack Pulp	—	59	58	60	58	59	217
Winnipeg Electric, com.	—	36	35¼	35¾	34	35¼	285
Do., pref.	7	82	80	82¼	81	81	120
Woods Mfg., pref.	7	80	—	80	78½	80	28
Canada Landed	10+1	—	83½	84	84	84	15
Can. Permanent	12	—	186	188	187	188	16
National Trust	12	200	197	197	197	197	12
Toronto Gen. Trusts	12	—	202	206	202	206	71
Union Trust	7	—	90	91½	91½	91½	10



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THE CANADIAN BANK OF COMMERCE

The Statement Presented at the 56th Annual Meeting Shows the Bank's Strong Position Well Maintained. The Addresses of the President and General Manager Indicate That Canada is Making Progress, if Slowly, Toward Normal Conditions.

Sir Edmund Walker, the President, occupied the chair, and the Directors' Report for the year ending 30th November, 1922, was submitted, including the Profit and Loss Statement, as follows:

The balance at credit of Profit and Loss Account, brought forward from last year, was	$1,946,745.40
The net profits for the year ending 30th, November, after providing for all bad and doubtful debts, were	3,002,435.33
	$4,949,180.73

This has been appropriated as follows:

Dividends at twelve per cent. per annum and bonus of one per cent.	$1,950,000.00
Dominion and Provincial Government taxes and tax on bank-note circulation	325,000.00
Written off Bank Premises	400,000.00
Transferred to Pension Fund	176,678.65
Balance carried forward	2,097,502.08
	$4,949,180.73

After the reading of the Report, the Chairman requested the General Manager to address the shareholders.

General Manager's Address

The year through which we have just passed has been a trying and strenuous one, and has been marked by a continuation of the decline in banking profits in evidence for some time past, which is due to a number of causes. Among these may be mentioned the general depression in business, the efforts of provincial governments and others to secure deposits at high rates of interest and the strong competition for all banking business. Notwithstanding this decline we have been able, after making full provision for all bad debts, to show net earnings of slightly over three million dollars—to be exact, $3,002,435. This has enabled us to make the usual provision for dividends and pension fund, to write $400,000 off Bank Premises Account, to provide $325,000 for government taxes, and to add $150,707 to Profit and Loss Account, the balance of which now stands at $2,097,502.

Progress Towards Normal

The figures of the general statement which we submit to you to-day would indicate that Canada has made some further progress towards a return to normal conditions which must take place before there can be any marked revival of business activity. The most important items composing our liabilities to the public, notes in circulation and deposits, again show decreases, although only slight as compared with the decrease during the previous year. Indeed the decrease during the year in notes in circulation, $751,000, is scarcely equal to the ordinary day-to-day fluctuations in this item, which often amount, in the case of this bank, to as large a sum as $1,500,000. Probably few beside bankers realize that a bank, such as this, must stand ready day in and day out to redeem in gold and legal tenders from three-quarters of a million to a million and a half of its notes at any one of several financial centres, quite in the dark as to where the call will come from next day.

Withdrawal of U. S. Funds

The principal part of the decrease in our deposits has taken place in those not bearing interest, and this is perhaps only a natural outcome of the quiet condition of business during the past year. The temporary disappearance of the premium on United States funds played a large part in this decrease by causing the withdrawal of balances accumulated in this country by American firms and corporations doing business here which had remained on deposit in the Canadian banks pending an improvement in the exchange situation. Doubtless, also, a considerable amount of banking business which would normally come to the Canadian banks has been diverted to the United States by reason of the heavy stamp taxes on cheques and promissory notes.

Increase of Gold

One of the interesting changes on the asset side of the statement is the increase in our holdings of gold which are nearly five millions larger than a year ago. We have been enabled to bring this about by the improvement which has taken place in the foreign exchanges, and our deposit in the Central Gold Reserve now consists solely of gold coin. Indeed we hold more than sufficient gold to cover every dollar of our note circulation. Our total holdings of cash, that is of coin and Dominion notes, have been well maintained, standing at 15.23 per cent. of our liabilities to the public. We also show some increase in our holdings of securities, principally in those issued by the various governments of Canada. The lessened demand for money for commercial purposes, and the high rate of interest obtainable on such excellent classes of securities, has enabled us to invest surplus funds at satisfactory rates in securities which are likely to show a decided appreciation in value as general conditions improve.

Support Commerce

We are still chiefly interested, however, in the ordinary commercial business of the country, our commercial loans in Canada alone totalling over 193 millions of dollars, the main measure of the support the bank gives to the commerce and industry of this country. It is not to be supposed that in a year such as that through which we have just passed we should escape without losses, and frankly, they have been disappointingly numerous, but we have been able to make such full provision for all ascertained losses and doubtful assets that our overdue debts appear in the statement at a considerably lower figure than a year ago.

Assistance to Agriculture

While on this subject I should like to say that this Bank has always adopted a generous attitude towards the financial requirements of agriculture, and has sought at all times to assist the farmers to the very best of its ability. During periods of money stringency in recent years when it was necessary to adopt a policy of restricted lending, loans to responsible farmers have always been expressly excepted from any restriction, in fulfilment of our conviction that in the prosperity of agriculture lay the foundations of all prosperity in Canada We are not blind to the fact that because of the extra time and care involved on the part of our managers and staff, the cost of lending to farmers is somewhat higher than the cost of other kinds of loans, but we feel it our duty to overlook hese considerations as far as possible. It is not then without some regret that we have found in recent years that the losses from loans of this character are far more numerous than those from any other class of business.

Government Competition

A development that may have some effect on the future of our deposit business has been the entry into the banking field of certain of the provincial governments as competitors for the savings deposits of the community. Apparently the fact that these governments are in the field, and the high rates of interest they are paying, added to the difficulties of securing deposits in Great Britain at the prevailing level of sterling exchange, have stirred the loan companies to more aggressive methods and to the offer in some cases of even higher rates than the governments. The added competition of both governments and loan companies must result in using up the liquid working capital of the country and thus restricting the supply of funds for commercial business, and ultimately tend to an increase in rates of discount because of the added expense to which the banks are subjected in maintaining their deposits.

Bank Premises

In connection with the recent difficulties of another Canadian bank, the name of this Bank was quoted in a most unwarranted manner in the discussion of its investment in bank premises. We have explained to our shareholders on previous occasions the relations which exist between this Bank and the Dominion Realty Company, Limited, and we think it well to reiterate the fact that the Bank is in no way directly or indirectly liable in connection with the liabilities of the Company. The Company does not owe the Bank a dollar, the Bank has never owned a dollar of its bonds, nor has it at any time directly or indirectly guaranteed payment of its bonds, either principal or interest. The Bank values the investment which it holds in the Company, namely, the capital stock, at the sum of $1, and it is carried at this figure among the assets in the Bank's balance sheet. Outside of this the only relationship between the Bank and the Company is that of landlord and tenant. The Company erects offices and leases them to the Bank, and thus provides it with substantial, secure, and up to date premises at a reasonable rental. The properties owned by the Bank outright, which are included in its own Bank Premises Account, are entirely separate and distinct from those owned by the Dominion Realty Company, Limited, and are valued in the Bank's balance sheet at about fifty per cent. of their replacement value.

The Pension Fund

The Officers' Pension and Guarantee funds of the Bank now amount to the large sum of $5,316,478.50. In the evidence given in connection with the bank I have just referred to, it was revealed that a large amount of its pension fund had been invested in its capital stock. In our opinion this is a risk which, in justice to the officers, the depositors and the shareholders of a bank, should not be incurred, particularly in view of the double liability of a shareholder in the event of a bank falling into financial difficulties. At no time since the establishment of the Guarantee and Pension Funds has a dollar of these funds been invested in the shares of this or of any other bank. The investments consist almost entirely of first mortgages and high-grade Dominion, provincial and municipal securities, and are entered in the books at their realizable value.

Unbalanced Conditions

I prefaced my comment on the figures of the annual statement by the remark that they indicated that Canada had made some progress during the year towards a return to normal conditions. By normal conditions I do not mean the general level of prices that prevailed before the war but that condition of comparative balance between the income derived from various occupations and industries that gives to each a fair share of the rewards of each day's effort It is this that is still so woefully lacking, and that causes so much of the unrest all around us. Our national income has been reduced as a result of the war, not only by the amount of the heavy taxes which we have to pay, but in all the thousand and one ways which result from the post-war depression in business. As a result we are finding that the carrying out of the magnificent plans we had formed for the future before the war is beyond our means, and we are come to the point where we must decide whether to abandon them in part or to call for outside assistance in carrying them through.

Capital and Labor Must Co-operate

It is said that if we are to secure outside assistance it must be in the form of selected immigration of men who will go on the land and help to bring our large areas of unsettled fertile lands under cultivation, thereby providing traffic for our railways and a home market for our manufactures. But of what avail will it be to place these new-comers on the land if those already settled there are unable to make farming pay? Even for the dweller in our urban communities the cost of living is making life unduly difficult, and municipal and other taxes are mounting by leaps and bounds. The cost of our manufactures cannot indefinitely continue to be higher than the farmer and the majority of the consumers in the home market can afford to pay. Not even a revival in foreign trade, unlikely as this appears to be on a large scale in the near future, can avail to benefit us, if the cost of what we have to sell is higher than in other countries as well or better situated with regard to foreign markets than we are. Both capital and labor must co-operate in seeing that costs are reduced. This would seem only possible to bring about by such an increase in efficiency and production as will lighten the present overhead charges, and this process must be carried to an extent that will enable the farmer to obtain his requirements at a price within his means, after he has sold his produce at prices fixed by the world markets. We should like to see our farmers, our manufacturers, all those who develop our great natural resources, able to dispose of their products profitably at a price which the great body of world consumers can afford to pay. This in itself would spell prosperity of a deep and lasting character.

Government Expenditures

As one means to this end our Governments must reduce their expenditures to the point at which the cost of government can be borne by the existing community without tending to discourage enterprise. Many of the directions in which governmental activities have been extended during recent years must be curtailled radically, if not cut off entirely. Most of these activities are excellent in themselves and in the objects towards which they are directed, but are simply beyond the capacity of the present community to pay for. Already our taxes, Dominion, provincial and municipal, have doubled and trebled without any marked increase in the number of people who have to sustain the burden. The test of future expenditures ought to be, "will they pay," and this question must be answered on the basis of present conditions and present population.

The Pound Sterling

Sterling exchange has ruled during 1922 at levels materially above those of 1921, with a decided improvement during the month of December, when sterling cables in the New York market rose from 451 to 469½. As was only natural after such a sharp rise, a moderate reaction has since taken place, but at the end of the year the market was holding quite steady around 465, as compared with a rate of 422 at the close of 1921 There has naturally been a good deal of conjecture regarding this movement, in view of the still unsettled condition of affairs in Europe and the substantial annual payments which Great Britain is now making, and will have to make for many years to come in connection with her indebtedness to the government of the United States. It seems safe to say, however, that the improvement of the pound sterling in terms of the dollar is largely a reflection, in the first place, of improved financial and trade conditions in Great Britain, and, in the second place, of confidence in the ultimate solution of Europe's difficulties, more especially of the questions of German reparations and inter-Allied debts.

The Canadian Dollar

The value of the Canadian dollar in terms of the United States dollar has also improved materially during the year. At the beginning of 1921 the United States dollar stood in Canada at a premium of 18 per cent. which was gradually reduced to five per cent. at the close of that year, and 1922 has witnessed a further reduction, until at the end of September the premium was converted into a discount, or, in other words, Canadian dollars were quoted at a premium in New York. As there is a free gold market in the United States, this premium could not go above the gold point (i.e., the cost of shipping gold from New York to Montreal), which is in the neighborhood of 9-64 of 1 per cent. When the premium on the Canadian dollar reached that rate, gold began to flow from the United States to Canada. At the close of the year Canadian funds were again at a discount in New York, amounting to 1⅛ per cent.

Our Borrowings

This improvement in the value of the Canadian dollar is not due to any material extent to an improvement in Canada's international trade balance, although the year's substantial grain crop will tend to have this effect, but chiefly, to the large borrowings by Canadian government and municipalities in the New York market, and to the liquidation of debts in Canada by the British Government. In last year's report attention was drawn to the fact that while these borrowings temporarily enhance the value of the Canadian dollar in the United States, they add to our yearly interest bill, which has now reached proportions that might well make us pause before we incur additional liabilities in this connection, especially for unproductive purposes. Whether or not the Canadian dollar remains as close to par with the United States dollar during 1923 as at the end of 1922, would seem to depend chiefly on whether these borrowings are continued on the same scale.

Revision of Bank Act

A great deal has recently appeared in the press regarding the revision of the Bank Act, and some authorities advocate the establishment of a government institution on the lines of the Commonwealth Bank of Australia. In our opinion this would not best serve the agricultural, commercial or manufacturing interests of the country. Australia is a country entirely different from Canada, in that its manufacturing industries are only slightly developed. If anyone will take the trouble to look at the balance sheet of the Commonwealth Bank, it will be seen that only a little more than 12 per cent. of its moneys are invested in assistance to Australian commerce and agriculture. While it is, of course, highly important that a certain percentage of the resources of a bank should consist of gold and legal tenders and also of such investments as government and other high-class securities, there is a limit to which this should be carried, because it is not in the interest of any country that the resources of its banks should be invested in such a manner as to interfere with the main functions of a bank, namely the financing of the agricultural, commercial and manufacturing requirements of the country. In making these statements we have, of course, no intention of reflecting upon the policy of the Commonwealth Bank of Australia, but desire merely to point out that conditions in Australia are entirely different from the conditions existing in the Dominion of Canada.

In True Interests of Country

The percentage of liquid assets which Canadian banks should carry depends, of course, very much on the class of business which a bank transacts, and particularly on the proportion of its assets, which consist of agricultural, commercial and manufacturing accounts. In the case of this bank, we have in the past considered that about fifty per cent. of its total resources should be in the form of readily available assets, and we regard this as a reasonably safe basis.

The Bank Act will probably come up for revision within the next few months, and while a great deal has been said in its favor, there has also been some adverse criticism. Our own opinion is that the act, as has already been stated by prominent financial authorities, has in the past met very fairly the requirements of a country such as Canada, but we are sure that the bankers of Canada will favor any amendments which are in the true interests of the country.

The Finance Act

The Finance Act, which was a war measure introduced in 1914, will also probably be discussed in connection with the renewal of the bank charters, and it is the general opinion that in its present form the Act has not only served the country well during the war, but has since been of great benefit in taking care of a business situation unsatisfactory the world over. We believe that in view of the development which is expected to take place in this Dominion, the Act is one which will be of great future benefit. Should any radical changes be suggested in its operations, they could only tend to the creation of some other agency to enable the banks to take of the seasonal demands of business. The alternative would seem to be such an enlargement of the powers conferred upon the trustees of the Central Gold Reserve as would enable them to discount business paper and make advances against securities, but in our opinion the facilities afforded by the Finance Act provide all that is at present required.

Cautious But Optimistic

As to the future, it is dangerous at all times to predict, and particularly so now, in face of the general dislocation of business and the unrest in Europe. We believe that until such times as the situation clears and a settlement is reached, particularly as between France and Germany, it is well for banks in this country to mark time. We are hopeful that the situation will clear before long. When it does, we are of the opinion that the sound position of the banks and of business generally in Canada will enable our people to take full advantage of the many opportunities open to them. We have untold wealth in our agriculture, our mining, our forests, our fishing, our lumbering, our manufacturing and our railways, and with a proper adjustment of costs and the adoption of a suitable colonization policy, we should have no fears as to what the future holds in store for the Dominion.

President's Address

The President said:

The war lasted four years and three months, and it is now almost precisely the same length of time since the Armistice. It would be folly to pretend that we are not both surprised and very much disappointed at the present condition of the world and especially of Europe. The momentum given to production by the war; the loosening of the usual restraints in extending trade credits and the creation on a vast scale of both fiat and credit currency; and the absence of ordinary caution in the volume of commitments, whether in raw materials or manufactured goods, have brought their punishment in losses on a scale never known before. From these losses we are recovering throughout North America quite as fast, on the whole, as we could in reason expect. It is a pity that we could not have started on the uphill road of hard work and economy as soon as the war was over, but we have chosen to dance instead, and we must now pay the piper, whether we like it or not. But if what is wrong industrially, financially and politically with Europe were also in a process of settlement we should be trudging along our new road warily but cheerfully.

Great Britain's Example

Great Britain offers, both to Europe and America, an example of honest purpose, clear vision and resolute energy in conquering difficulties in order that she may as soon as possible recover her place as mistress of the world in international finance and trade, and we are sure that she will succeed. But here nearly all comfort regarding Europe ends. It is true that countless individuals have regained their normal condition and are little disturbed by merely national troubles, but the props which supported the social bodies of which they form a part are weakening daily, and anarchy may replace social order in a night. We have established a league of nations, but it is not yet a real power, because that voice which added to that of Great Britain, would make the league effective to do its world-wide work is still silent.

A Vicious Circle

We have held many conferences but with no result so far as the main difficulties which stand in the way of settlement are concerned, except to demonstrate the unsuitableness of one scheme after another, or the unwillingness of either France or Germany to accept the proposals made. We are in a vicious circle in which the forces interact so that the main obstacles to a settlement increase daily. Racial hatreds intensified by the war are further added to by financial troubles, and financial troubles are made worse by the resulting standing armies. The thus inevitable high cost of government is met by the printing presses, never so busy before in the world's history and herein lies the main cause of unbalanced budgets and huge additions to national debts.

The Position of Germany

The sword of Damocles hangs over Germany by a single hair. If the market place, and that will mean anarchy—the absence of the medium by which men can exchange their mark is not stabilized, there will come, and very soon now, the moment when it will buy nothing in the labor for the bread and meat which sustains life. It is not trouble in the bourses we have to fear, so much as trouble in the bakeshops.

Allied Debts

It is foolish to pretend that this vicious circle is the business of Europe alone and is due only to the idiosyncrasies of the various countries concerned. Back of all these complicated troubles are the Allied debts, those debts, which, if they are to be paid, mean literally the creating of so much in exportable money value over and above the ordinary cost of living, whereas a domestic debt merely means the transfer by a tax of so-called money from one citizen to another. It is also foolish not to recognize two things: first, that these debts can never by any possibility be paid as a whole unless the payment of the German reparations in their most extreme form (over 30 billion dollars) can be enforced; second, that if in this or in any other way the allied debts can be paid in full, the resulting sale of commodities to the outside world will completely ruin both the domestic and foreign manufacturers of Great Britain and the United States, and of course of many other countries. There are still those who seek to regard the matter as merely a case of debtor and creditor. It is, however, a situation far transcending any relation of creditor and debtor ever experienced in the world's history, and no settlement merely conceived on that basis will stand the test of time.

A Basis of Settlement

Great Britain is apparently ready for the great discussion, and it looks as if necessity were dogging the footsteps of the other great creditor, so that something will surely be proposed before long which will at least break the monotony of the past year. It is the gravest and most difficult problem of modern times, but there is a basis which would save the pride of some of the nations, and that is to admit that the war was fought for the salvation of the whole world, and, after endeavouring to apportion its money cost fairly and readjusting the reparation payments to be made by Germany, to make most liberal and also most grateful allowance in the financial settlement to those nations whose losses of their sons were in such terribly undue proportion to those of other nations. I make no apology for repeating at this time what has been said here before and much more effectively by others, notably by the Hon. Mr. McKenna recently in New York, and by Mr. Otto Kahn in Montreal. Unfortunately financial troubles are not the only menace of the moment. Standing armies, with all that they mean in direct money cost, in the loss to industry of working power, and in the perpetuation of national hatreds, are inevitable so long as France and Germany have unsettled questions, so long as the Near East is still a disgraceful area of bloodshed and inhumanity, and so long as Ireland continues to break the hearts of those who love her, by her instability and her attempts to stifle honest opinion by assassination.

A Remarkable Recovery

In North America there has been a very remarkable recovery during the year, especially if we consider the scanty buying power of Europe and the low prices consequently obtained for farm and pastoral production, in which respect, however, there is now, some improvement. Either late in 1920 or during 1921 the price of almost every great staple fell from a point above or near the normal to points, in many cases, so low as to entail losses such as have been unknown in commerce before. During 1922 the recovery has brought many of the basic materials back to or above the normal, although pig-iron and copper are not among these. They have, however, also made a great recovery. In like manner manufactured goods have in many cases risen sharply in price. This is true of all textiles, silk, cotton or woollen; the pulp and paper industry is again in a prosperous way; the sales of motor cars in some markets have exceeded all previous records; railroads are carrying great quantities of freight and are spending large sums for rolling stock and much-needed betterments and repairs; even the boot and shoe trade has returned to normal conditions. In the United States the prices of cattle, hogs, sheep, etc., have risen sharply, but in Canada we are suffering keenly in this regard from the Fordney tariff and the British embargo.

Europe's Buying Power

It is possible that the vast population of the United States, living in a country which actually needs so little from the outside world and which is now one of the world's two largest creditors, could live in comparative comfort while Europe starved, but we in Canada could not, and no thoughtful American fails to see what the buying power of Europe means to his country. The possible result of a complete collapse in the power of Europe to provide the credit or the cash for its purchases may be judged from recent estimates, which seem to show that since the war ended the United States has enabled Europe, by new loans, by credits, or by the repurchase of American and the purchase of foreign securities, to buy to the extent of a billion dollars yearly in addition to purchases paid for in actual money or in European goods. In 1921 as much as 660 million dollars worth of gold alone was received from Europe. It must be clear that Europe cannot much longer buy her supplies from North America on this basis, and we are therefore immensely concerned in the settlement of German reparation, the stabilizing of the German mark, and all that this means to France and the rest of Europe.

Canada's Foreign Trade

Turning to the foreign trade of Canada we have in the fiscal year, March, 1921, to March, 1922, made the lowest record since 1916, the total being only $1,501,731,000, with the trifling sum of $6,122,000 in favor of exports of $623,647,000 in 1918. For imports in the previous year of $29,730,000 and our highest excess of exports of $623,647,000 in 1918. For the year ending September, of which we are able to give the totals only, our foreign trade amounted to $1,539,395,000, with a difference in favor of exports of $73,585,000, a slightly better showing. In view of the rising tide of trade, and of our great grain crop, it is worth while to follow our foreign trade beyond the usual half year in September. In October the totals were much lower than in other recent years, but in November they rose to $208,000,000, being 56 millions more than in 1921, of which 44 millions were exports.

Exports and Imports

Of the diminished trade in our fiscal year $417,497,000, was done with Great Britain, exports to that country exceeding imports by $183,228,000.

This compares with a total of $528,171,000 in 1921 and a balance of $100,281,000 in our favor, so that with a smaller business we have increased the disparity by about $83,000,000. Our trade with the United States was $821,527,000, as compared with $1,417,296,000 in 1921, with a balance against us of $210,682,000 as compared with $295,930,000 in the previous year. While the figures appear low the imports are larger than in any year before 1916 and the exports are larger than in any year before 1917. The excess of imports, however, is smaller than in any year since 1911, except 1916, which was influenced by war purchases.

Increases and Decreases

If we analyse our foreign trade for the fiscal year we find that in nine groups of imports and ten of exports there is an unbroken series of decreases. In the figures for the six months ending in September, which followed the close of the fiscal year, the improvement in conditions is shown by increases in four groups of imports and eight groups of exports. In our exports a few sub-groups show increases; fruits $1,260,000; vegetable oils and by-products $240,000; furs $2,747,000, and zinc $1,485,000, while a few items, such as oats $4,565,000, and flax seed $3,090,000, lessen the decreases in their respective groups. In our imports the only sub-group showing an increase is furs $1,567,000 partly off-setting the increase under this heading in exports. Items lessening the decreases in sub-groups are as follows: eggs, imported, $895,000; binder twine $1,887,000, offsetting, however, decreases in sisal and Manila grass of $3,208,000; automobiles (passenger) $1,101,000; gasoline $5,529,000; diamonds $762,000. These figures are of little value, as they represent a general collapse in trade which has now passed. The period of six months ending last September shows a very different record, but these figures again are not very valuable when compared with those of the similar six months in 1921, the worst half of a dull year, so that it is quite natural that the comparison should show many more increases than decreases in both exports and imports.

Canada's Field Crops

The principal field crops of Canada for 1922 are estimated by the Dominion Bureau of Statistics at $984,139,000, as compared with $931,863,000 in 1921 and $1,537,170,000 in 1919, our best year. The actual result for 1921 fell short of the estimate by about 85 million dollars. In view of our great wheat crop and the recent improvement in price the estimate is disappointing, and the decrease in the value of our field crops affects our national situation so seriously that it may not be amiss to draw attention to the very clear reasons for the decline at the moment in the purchasing and debt-paying powers to our farmers. The following table compares the estimated value of some of the principal crops of 1922 with those of 1921 and 1920:

(Millions of Dollars)

	Increase over 1921	Decrease from 1921	Increase over 1920	Decrease from 1920
Wheat	90	..	..	104
Oats	51	..	..	83
Barley	5	..	..	19
Rye	6	..	6	..
Other grains	11	..	..	27
Potatoes	..	18	..	75
Hay, clover, etc.	..	76	..	157
Roots and fodder	..	9	..	23

As I have not given the totals in each case the percentage of the loss is not shown, but it is often as high as 25 per cent.: the value of the potato crop of 1922 was less than half that of 1920. It will be well also to consider the effect of all this upon the various provinces:

	1920	1921	1922
Prince Edward Island	$ 18 530 400	$ 14 202.970	$ 10.388.800
Nova Scotia	47.846 550	29.556.400	24 236.000
New Brunswick	46.357,300	38,325 400	31.657.100
Quebec	330 251 000	219.154.000	167 599.000
Ontario	375.746 900	239 627.400	233 556 000
Manitoba	133,989,900	72.135.500	104.830.000
Saskatchewan	271.213 000	215 635.000	299.158 000
Alberta	204 291.500	82.780.000	94 369 600
British Columbia	27,017,500	20,447,000	18,345,000

It may be urged that there is not much value in a comparison with a period when expansion and prices were at the highest point, but it is a fact that the purchasing or debt-paying power of the country was less, often enormously less, in 1922 than in 1920, in every province except Saskatchewan.

1922 and Pre-War Conditions

If, however, we compare 1922 with pre-war conditions we find that the money value of our field crops is still very large. Taking all farm crops together, the average value during the five years from 1910 to 1914 inclusive was about $450,000,000. We used to look forward to the possibility of a billion dollars as a magnificent return from our field crops, and the question as to whether it is so still depends of course on the cost of production. The war and prosperity have, in every branch of industry, upset this cost, but they have also upset our point of view as to the returns we may look for from our efforts. We have had to face a tremendous adjustment of values, of which farmers have certainly had to bear their share, and in consequence many have heavy debts to meet, as a result of the losses of recent years, which can only be paid from the profits or the savings of the future. This may mean in some cases harder work, a narrower standard of comfort, and smaller holdings of land, but the Canada we are so proud of to-day was built in that manner.

Export Wheat

We are rapidly becoming an important manufacturing country, but our prosperity still rises and falls in a reasonably close ratio to the success of our agricultural and pastoral efforts. The estimate of the entire wheat crop of Canada is in the neighborhood of 400 million bushels. In the latest world bulletin of agriculture Canada ranks as the greatest wheat exporting country in the world. The wheat available for export in the United States is placed at 305 million bushels, while that in Canada is estimated at 312 millions. Later estimates made in the United States place their surplus for export at only 200 to 225 millions. While our surplus for export has been estimated somewhat higher, it seems safe to place it at about 300 million bushels. At the moment the position of the world markets for wheat seems to justify better prices than expected at harvest time, and we must hope that the official estimate of money results for that grain will be exceeded.

Cattle at Inadequate Prices

It is unfortunate that at a moment when the results in money from our field crops are so unsatisfactory the results from cattle are equally so. From this season's operations we shall have shipped the largest quantity of wheat on record, but at an inadequate price, and we shall have marketed the largest number of cattle, also at an inadequate price. We have demonstrated that no country can grow better wheat or breed better cattle, but the cost of production and of transportation, upset by the war, still mars the result. In our markets, 1,055,000 cattle were handled in the first eleven months of last year, against 753,000 in 1921 and 946,000 in 1920. If we turn to the Winnipeg market we find a partial explanation of this. From January to June the deliveries there were 57,000 as against 49,000 in 1921, and from July to October 238,000 as against 88,000 in 1921. In the first half of the year Canada marketed only enough beef for her own use, and prices remained about the same as in the United States, but in the last half, owing to drought in northern Alberta and northern Saskatchewan and to financial pressure in the case of many farmers, large numbers of cattle were marketed.

Winter Feeding

The embargo by Great Britain being still in force, the value of these cattle was clearly determined by the price in the United States, less the duty. While at this low price the cattle were largely marketed in the United States, many were sold in Ontario to farmers who carry on winter feeding. During this period more Western cattle have been marketed than ever before, but on the other hand there are probably more cattle being fed in Ontario than in any winter before. To an onlooker it seems a matter worthy of much consideration why the West does not carry on winter feeding to the same extent as does Ontario. Drought or money pressure may force sales in one part of the West, but why are cattle not winter fed more largely by those who have plenty of feed? There does not seem to be any material difference in the nature of the winter or in other surrounding circumstances.

The Effect of U. S. Tariff

The inflated prices caused by the war have passed, and the violent swing in the other direction, made much worse for us by the United States tariff of June 1921, with the amendment in September 1922, has carried us down to very unprofitable conditions such as we have not seen in a generation, but we are in the business of breeding and feeding cattle for all time, and we are in many ways better situated with reference to the markets of Europe than our main competitor, the Argentine. The market in the United States, because of the same depression there, has been closed to us by tariff legislation which that country imposed in the belief that it would help its own stock-raisers. There are at least two reasons for hoping that this legislation will be repealed. Of the million cattle or thereabouts marketed in Canada about one-fifth go ordinarily to the United States, in which country about 20 million head of their own cattle are marketed. Thus the tariff has been made to prevent one extra animal in every hundred from being marketed, and common sense should very soon show that this has not been of appreciable benefit to any stock-raiser in the United States. But the lowering of the net price we receive for any cattle sold to the United States by about 30 per cent. unfortunately affects the price of all the cattle marketed in Canada. The second reason for believing that the tariff will not remain long in force is the very plain evidence of its effect on the purchasing power of the Canadian farmer. We are well known to be one of the largest buyers from the United States among the nations of the world. We buy really with our products and largely because of our prosperity. It is within the clear right of the United States to establish any tariff such as that in question, but the absolute folly of it from any point of view will surely appeal to a nation which in the end applies a very practical view to its legislation.

In the British Market

When we turn to the British market the situation is too complicated to be dealt with at length. In the past our shipments to Great Britain have been mainly live cattle, and from 1891 to 1911 these shipments usually exceeded 100,000 head annually, and went as high as 164,000 head in 1906. During the existence of the Underwood tariff, which admitted cattle free to the United States, the trade passed almost entirely to that country, reaching a total of over two million head in the years 1915 to 1921, inclusive, and as many as 500,000 head in the one year, 1920. The war demand is over, the United States market is closed to us, the chilled-beef trade between South America and Great Britain has been highly developed, the production of beef in Great Britain is very large, and a strong preference exists for home killed beef, caused partly by the poor quality of some of the product shipped to England in war time. These are among the difficulties we have to face in building up again our trade with Great Britain.

A Measure of Relief

The removal of the embargo will, of course, give some relief, but only in a limited measure. An outlet will be opened up for a class of cattle which, for thirty years, Canada has not shipped to England, that is, store cattle for finishing in Great Britain. But only the cream of our Canadian store cattle will be acceptable to the British feeder. In addition, it is not unlikely that limited shipments of fat cattle, such as have gone to Great Britain in the last two years, may continue and possibly somewhat increase. We shall probably find, however, that our main hope lies in convincing the British public that we can send them chilled beef in just as perfect condition for consumption as their own freshly killed beef, or at least in as perfect condition as Canadian beef killed there, but this will take time. We can produce cattle better than the Argentine can, and we are only one week, instead of three, away from the British market. The Argentine cattle raisers have gone far ahead of us in obtaining the best breeds of cattle, and we must do more than we have ever yet done in this respect but our partly grain-fed cattle produce better beef than theirs. What we cannot afford to do is to feed cattle which are not well bred, and we seem to have failed thus far to appreciate this widely enough.

Our Mineral Wealth

The revised figures of our mineral production for 1921 are $174,315,000, as compared with the estimate of 170 millions. The estimate for 1922 is 180 millions.

During the year many companies have resumed operations, and in the case of gold milling there have been extensions and improvements to plants, but generally speaking little has been done in the way of opening new mines. The encouraging features have been the increases in the production of gold, silver and lead, and a recovery in the production of copper and nickel in the last half of the year. There have been decreases in iron and steel, indeed, there was practically no production of iron ore in Canada in 1922.

The Treatment of Ores

We are still awaiting the discovery of successful methods of treating the many forms of iron ores existing in Canada, to make us less dependent on the more cheaply mined ores of our neighbors. The solution of the great problem of finding new uses for nickel is still not much advanced, but there is a steady improvement in the demand, and accumulated stocks have been largely marketed. In lead and zinc there has been a steady and rapid advance in price, and this has naturally been accompanied by an increase in the output, which in the case of lead has been about fifty per cent. We are rapidly taking our place in the world as an important producer of lead and zinc. The leading silver mines have been working at full capacity, and, stimulated no doubt by an average price of 63 cents per ounce, work has been resumed in many areas. Experimental work is being carried on in deep mining, and there is generally much activity in the silver camps.

Increase in Gold Production

It is in gold mining, however, that we are making the most striking progress and attracting the most attention from the outside world. The increase in production for the year is about 31 per cent. as compared with 1921, and the output of several of the most important mines is being enlarged and promises to be much greater in future. Ontario leads the other provinces as a producer of gold and indeed of metals as a whole, and she has now passed California in gold production. Our gold production is as yet only small in proportion to that of the Transvaal, but one mine alone contemplates an increase in production which would very largely affect this comparison. We have passed the period of low prices for metals, which reached a climax in 1921, as well as the worst point in the world-wide depression of general business, and while the markets for some minerals are as yet far from normal, we may on the whole look forward to an increase in both production and profits.

Our Coal Mines

The year has been an unsuccessful one for the coal mines of western Canada. There the mine owner is struggling with strikes, high labor, and transportation costs and a small market, made still smaller by cheap oil. Some day the abundant coal measures of British Columbia, Alberta and Saskatchewan will entirely supply all of western Canada from the head of the lakes to the Pacific as well as a large ocean-borne trade, and a trade with the United States, and perhaps with Ontario; but while oil is cheap, population thin, and transportation dear, the development of all this natural wealth is surrounded with difficulties. There should probably be fewer mines so that the natural prosperity of those most favorably situated would not be prevented by the competition of those which have little chance of success. The mines of Nova Scotia and New Brunswick on the other hand cannot, as yet, produce enough coal to lessen, as we certainly should as far as possible, our coal imports from the United States. These imports, mostly for the use of Ontario and Quebec, constitute about 60 per cent. of our consumption of coal.

Mines and Transportation

The newer countries of the world are apt to be known in the world's trade circles by some main product upon which their prosperity, or the lack of it, principally depends. Canada is classed as a wheat country, and it will doubtless be found that our prosperity has depended in the past largely on the quantity of our wheat crop and its price. We are, however, year by year attracting the attention of the world to the position of Canada as a mining country. The products of mining show more readily than almost any others that the ultimate money value of any commodity depends on the cost of transporting it to a market. We have more coal than any country in the world, except the United States, but the high state of development of water-power, "white coal," as we call it in Ontario and Quebec, where no coal exists, is the evidence of our inability to transport coal from other provinces, and the bill for the coal we buy from the United States is one of our serious national burdens. Some day the improvement of our waterways will materially change this and, similarly, the growth of our population, our industries, and our systems of both land and water transportation, will make it profitable to mine many ores which have no money value just now. Gold, silver and a few other ores will, when refined, or partly so, bear the cost of transportation, and these are therefore the first lure of the prospector.

Mineral Possibilities

In the remarkably thoughtful address of the late president of the Canadian Institute of Mining and Metallurgy we are reminded that while we are a great factor in the world's food supply, this comes from the partial development of about fifteen per cent. of the area of Canada, while in the remaining eighty-five per cent., and to some extent, of course, in the fifteen, we have "mineral treasures of inconceivable value." The selection of land for agricultural or pastoral purposes is one of the easiest tasks of the adventurer, the discovery of a real mine one of the hardest, apart from the few cases where men have found fortunes by sheer accident. Twenty or thirty years ago we had little experience or training in mining, and a good deal of what we have now arises from the success attained in mining in the United States. In South Africa, however, there are many miners, both those who hold executive positions because of scientific ability and those who have owned mines and are not afraid of such ventures, and we have reason to hope that some of the leaders among these men will become interested in our north country.

A Wonderful Heritage

For three-quarters of a century our geologists and other Canadians of reasonable intelligence have known that we possess in the centre of Canada the largest area in the world of the oldest rocks and of the rocks immediately following these, all roughly classed as pre-Cambrian. These are most promising areas for the prospector, but we also possess in the Maritime Provinces and eastern Quebec our share of the Appalachian Mountains and in the far west our share of the vast Cordilleran areas. Of gold, silver, nickel, copper asbestos and other metals we are already important producers. We have iron ores in plenty, but these are not so readily available as the ores mined in that comparatively small extension of our pre-Cambrian area into the United States, which is so wonderfully rich in iron and copper as to be famous throughout the world. What we have accomplished thus far in the three great mining areas has been largely the result of accident; we can hardly pretend that there has been serious prospecting in many of the mining fields of Canada, except by a very small number of trained experts. The Cordilleran or Pacific mountains in Canada form an area about as large as the pre-Cambrian in the centre of Canada, and of this the late President of the Canadian Institute of Mining and Metallurgy says: "Does anyone know of any sufficiently sound reason, even after allowing for certain known differences of glaciation and geological formation, for thinking that Canada's large share of this great area will prove to be less rich in minerals than that falling to Mexico or to the United States?"

The sale of Canadian securities for 1922 shows a decrease as compared with 1921, but, unfortunately, there is an increase in the amount sold abroad, the proportion, disregarding the conversion loan, having risen from 49 per cent. in 1921 to 70 per cent. in 1922. The figures are as follows:

Issue	Amount	In Canada	In United States	In Great Britain
Government	$318,277,000	$129,419,000	$188,858,000	....
Municipal	79,010,000	54,151,000	24,859,000	....
Railway	12,790,000	....	12,790,000	....
Public service corp.	9,752,000	6,965,000	2,787,000	....
Miscellaneous	42,381,000	15,972,000	24,936,000	$1,473,000
Total	$462,210,000	$206,507,000	$254,230,000	$1,473,000

The figures include the conversion of a Dominion Government loan in Canada, not quite completed and slightly exceeding 100 million dollars, also a Dominion loan of 100 millions in New York, and two guaranteed railway loans amounting to 13 millions; loans by eight provinces of 118 millions, of which 78 millions were issued by Ontario; loans by eastern municipalities of 62 millions and by western municipalities of 17 millions; public utility issues of 10 millions and miscellaneous issues of 42 millions. The government loans were sold mostly in the United States, although Ontario loans for 28 millions were sold in Canada. Municipal and public utility loans and miscellaneous issues were placed largely at home.

The National Debt

The public debt of the Dominion on 31st March, 1922, was $2,422,135,000, as compared with $2,340,878,000 at the same date in 1921. On 30th November 1922, it was $2,391,635,000. The debt due by Great Britain has been reduced from $136,000,000 to $75,000,000 on 30th November and that due by foreign Governments has been reduced from $46,000,000 to $40,000,000. War expenditures for the year from 30th November, 1921, to the same date in 1922 were $13,700,000, but of this, $11,500,000 was spent in the first half of the year.

On Account of Pensions

In the year ending 31st March, 1922, there was paid for pensions arising both out of the Great War and out of previous service a total of $35,348,000. In this is included the sum of $12,687,000 on behalf of 19,606 soldiers either killed in action or who died from injuries, paid as pensions to 36,301 individuals, the widows, children and other dependents of these deceased soldiers. There were also paid 45,133 pensions to disabled soldiers amounting to $17,991,000. These 45,133 pensions represent allowances to wives, children and other relatives totalling in all 110,385 individuals. We have therefore paid pensions on behalf of 64,739 soldiers who either died in action or were disabled in serving Canada, and the 30 million dollars so paid has afforded assistance to 146,686 individuals.

Enemy Property

A year ago we referred to a subject of international interest about which little is known, doubtless partly because of its complicated nature. We mentioned the establishment in accordance with the Versailles Treaty of a local clearing office in Canada for the settlement of debts due by or to the late enemy, and we indicated the many complications arising in that connection, and in connection with rights of property, and the success which had been attained by the labors of the Under Secretary of State thus far. The subject is at least as old as Magna Charta, and there is no doubt as to the clear intention of honorable European nations. In all references to it authorities on international law make it clear that our right to attain enemy property which falls within our control only exists so long as the enemy country fails to honor similar obligations or to restore our property. The creditor, either in the enemy country or our own, must be protected as nearly as possible as if no war had taken place. While in the preparation of the Versailles treaty these principles were undoubtedly not overlooked certain exceptional conditions nevertheless appear.

Germany's Position

It is with reference to these exceptions that difficulties are being encountered, out of which there may arise the very unfortunate conclusion that in the treaty departure has been made from principles which have been respected for centuries. In article 297 of the treaty and apparently because of "exceptional war measures" taken by Germany, we are given power to retain and liquidate German property in accordance with our own laws, the German owner having no right to dispose of such property, or to subject it to any charge. We are also required by the treaty to account for the "net proceeds of sales of enemy property rights or interests," and "in general all cash assets," not to the owner but through our clearing office, to "the Power of which the owner is a national." Through the machinery of our clearing office we may use the money thus collected from Canadians owing money to Germans, or from the sale of German-owned property in Canada, to pay debts due by German individuals to Canadians, and if there is a balance due by us in the final adjustment it must be credited to Germany as a nation and, under Article 243, it is to be "reckoned as" a credit to her on account of "her reparation obligations," as against this "Germany undertakes to compensate her nationals in respect of the sale or retention of their property, rights or interests in Allied or Associated States." If Germany could perform this obligation, perhaps no great harm would have arisen from this sequestration of the property of private individuals in contrast with the strict practice of centuries, but Germany cannot in her present position settle with her nationals so as to recoup them as fully as they would have been under the ordinary principles of international law. If they are not eventually so recouped, a wrong will have been done by the treaty to which we were parties. On the one hand we have assets belonging to German individuals or nationals worth roughly about twenty-four million dollars, and on the other we have claims of Canadian creditors against German debtors and claims by Canadians for property dealt with "under war measures" by Germany, amounting with other items to about four million dollars. Just what we should do under these difficult circumstances the Government will have to consider, but we should, if possible, be sure that Germany will pay her nationals to their satisfaction before she gets credit for the corresponding sum on account of reparations.

Honor Among Nations

We must not in this matter be influenced by anything but the facts, and by that honor among nations which has been displayed for centuries. It is true that the property and business interests of the Allies were sometimes very wrongfully dealt with in Germany, at least in the early years of the war, but it is also true that Germans ready and willing to settle debts directly with British creditors have been unable to do so because of the terms of the Treaty. Every merchant seeking to do business in foreign countries, and every banker considerate of the credit of his country, should remember that international trade and finance are built on good faith, and that we must avoid the possibility of these unfortunate exceptions in the Treaty causing injustice and thus involving Canada in discredit.

Immigration

Having regard to our national debt and to our national position generally, no question is more important than that of immigration, and perhaps no national question presents so many phases for consideration. The number of immigrants entering Canada in our last fiscal year fell, doubtless mainly because of our severe regulations, to 90,000, as compared with 148,000 in 1921, and 402,000 in 1913. The total decrease is 39 per cent., but the decrease in those coming from Great Britain is 47 per cent. and from the United States 39 per cent., while in those from other countries it is only 17 per cent. Of those who sought admission, 18,500, mainly from the United States, were rejected under our immigration inspection, a larger percentage than heretofore. In the classification of occupations about 20,000 are entered as farmers or farm laborers, with 6,000 women and about the same number of children. The analysis of nationality, etc., on pages 16 and 17 of the government report on immigration and colonization, is very interesting to all students of race problems. The war completely upset the movement of emigration to Canada, both from Great Britain and the rest of Europe and from the United States, and because of labor conditions here we have made little effort to return to pre-war conditions of immigration, limiting our efforts to those who intended to take up farming or to enter domestic service, and dropping for the time being all effort to secure immigrants from northern Europe even for those purposes.

To Recast Our Policy

While we have been doing so little to induce emigration to Canada, Australia, New Zealand, and South Africa have filled London with enticing statements as to the merits of these dominions, and we certainly have to overcome the apparent indifference of recent years.

Clearly, however, we need to recast our opinions as to what our immigration policy should be. There are those in our western provinces who think that settlement upon the land has gone too far for the moment, and by comparing the much larger acreage for the present with that of 1915 and presuming a year when the yield per acre will be as large as in 1915, endeavor to show that the world's requirements for wheat may thus be exceeded. Both agricultural and pastoral pursuits are having a bad time at present, but whatever may be the fate of the farmer who, on a large scale, risks his fortune in only one or two forms of agricultural and pastoral production, the farm of moderate size, and varied products will in the west, as in Ontario, be the basis of the newcomer's prosperity.

Ensure Selection

In any event we require a policy of land settlement both for newcomers and for our own farmers' sons, or a wider application of such satisfactory systems of land settlement as we have already tried, in order that we may secure as many as possible of that, always too small, class who wish to have the chance to make a living on the land. We should seek for them in Great Britain, the United States, and in Northern Europe, never forgetting that this problem as a whole is one of service, first to Canada and second to the immigrant. We must provide machinery that will ensure the selection of suitable settlers; guidance and help on their journey to the new country; guidance and help in selecting land, stock, implements, etc.;

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guidance and oversight during the time of trial until success is assured. Fortunately we are not without experience in such complicated and difficult work. Those who have charge of the Soldier Settlement Board have in four years placed over 28,000 settlers on the land, of whom 6,000 did not receive financial aid. The Board has a very wide knowledge of Canada, having inspected over 50,000 farms, and with this accumulated experience and the large trained staff already in existence, it is not hard to see how a great measure of success can readily be assured. This does not mean that other efforts are the less necessary. We need every agency that will do Canada service in this great work, perhaps the most urgent and important of the many tasks laid upon our government at this moment in our history.

A Problem

When we consider the subject of general immigration the course is not so clear, while the necessity for publicity and for offering inducements scarcely exists. When the United States offered to every so-called white man the chance to become a citizen, to vote as such, and the assurance of work and wages, the immigration came at first largely from Northern Europe. Unskilled labor was badly needed to build railroads and other public works, and land was too easily obtained by anyone who wished to be a farmer. Canada adopted much the same policy. The number of immigrants from the north lessened after a time and they came more and more from the south of Europe. Eventually this raised doubts as to the result of such a blending of races upon the nation's future, and urged doubtless by labor and unemployment, restrictions have been imposed in both countries. Both countries would doubtless like to make a new start, and we must hope that the present inspection and rejection of undesirables will remain, but apart from this, present labor conditions in the United States seem to demand that the bars shall be let down again before long. The industries of North America are based upon a steady supply of unskilled labor, while its educational system is based upon a reverse theory of society, so that apparently unskilled labor, unless supplied by the negro, must be sought abroad. The lack of this unskilled labor in the factory, and for large out-door construction, railway and other work, is the main cause of the high cost of labor on the farms, the laborer who seeks the highest pay being drawn by this scarcity away from the small towns and the country.

Best Medium of Exchange

The time has come once more for the renewal of the Bank Act. This decennial revision of the Act, peculiar I think to Canada, is largely due to the desire of the bankers themselves that such an arrangement, accidental at first, should become a principle, and afford everybody the opportunity to criticize and propose changes in order to make the Act as perfect an instrument of service to the people as possible. There is on this occasion no lack of criticism and suggestion, but unfortunately little that has not been heard and dealt with before. We have the best medium of exchange in the world—the Canadian bank-note and the bank cheque with the clearing-house—and an evidence of the usefulness and perfection of our form of currency is that it became the model for the Federal Reserve currency in the United States. And yet there are Canadians who would destroy this system in exchange for fiat money, the folly of which has been known to students in the western world for at least two centuries, and which at this moment stands as the main difficulty in rearranging the finances of Europe.

The Branch Banks

We also hear once more arguments in favor of numerous small banks, instead of branch banks, by people who can hardly know that this subject has been under discussion since 1790 when Alexander Hamilton first demonstrated the value of a bank as an arm of the state, fit not only to serve the individual but the state itself, the largest national business ventures, and the smallest needs of the people. These wants, large and small, it will be found, have been as well, if not better, served by the Canadian banks than by any other system, and it will certainly be found that no other system can be proposed that will more effectively take its place. But it must be remembered that we are by our Bank Act commercial and not land banks, and that the principles according to which commercial banking can be safely carried on are not subject to change simply because a community finds that it has hurt its credit by going too much into debt. This is not the time or place in which to discuss the Act in detail. When that discussion does take place it will be found that the bankers seek, now as in all recent revisions, the best Act in the interests of Canada, and that they have no measures to propose for their own peculiar benefit.

Taxation

In 1919 and in every year since I have referred to the very serious and difficult problem of taxation. In that year I ventured to say that "the whole question should be approached without that class feeling which often causes taxes to be so apportioned that bitterness and a sense of injustice are felt by many who do not object to being heavily taxed so long as those who really can afford to pay their share do not escape. The income tax should be paid by a much larger number of citizens. In 1920 I urged a turnover tax of one per cent. on sales of commodities, and I stated that such a tax would provide "a substratum of tax revenue, in which it is true that all would join alike, paying in precise proportion to their expenditures for commodities, but the manner in which those who have larger incomes would be taxed through the income tax would provide for that difference in treatment which modern taxation recognizes." Much study has been given, especially in the United States, to such a form of taxation and, while we must avoid double taxation on great staples dealt in by brokers and dealers on the public exchanges, the turnover tax is one of the least complicated and most easily collected of taxes.

The Turnover Tax

Canada is frequently complimented by students of taxation in the United States and Great Britain on its sales tax, but a much larger revenue, in a form much less hurtful to production, would result from a turnover tax of one per cent. Such a revenue would make it possible to lessen the scale of super-taxes now imposed on incomes and other unfair taxes on enterprises, the ruinous result of which is evident to all who give any thoughtful attention to the matter. A study of conditions in Great Britain today should convince the most ardent believer in super-taxes that you cannot have it both ways. You cannot on the one hand by unfair taxation strip those who have saved or made money, and on the other look to the same individuals for aid in new enterprises for profit, or in founding or supporting the many institutions for the benefit of society which in England so often bear in large letters the appeal, "Supported by Voluntary Subscriptions."

The Bank's Monthly Letter

During the year the usual careful attention has been given to the Bank's Monthly Letter which, in addition to its very large circulation in North America, reaches all parts of the world. We have tried to give in as compact a form as possible, by text and graph, a true picture of Canadian trade and finance, and our Wholesale Price Index is now widely accepted as a standard of information. This is the time when Canadians, far from being restrained by the widespread depression now prevailing, from many of the effects of which this country is most fortunate in escaping, are turning their attention to new forms of production and new avenues of trade. To aid such we have, during the year, issued with our Letter seven supplements covering exhaustive information regarding trade possibilities between Canada and Mexico, Brazil, Cuba, Jamaica, Trinidad, Barbados and Great Britain.

MONEY, BANKING AND EXCHANGE

COMPETITION FOR SAVINGS AFFECTS BUSINESS FUNDS

Bank Act Functions Well Declare Officials of Commerce

Banks deal in credit based on deposits by the public. Therefore when deposits are curtailed the volume of available credit for loans must likewise be curtailed. On this basis bank officials point out that if there is competition by governments and loan companies for deposits then there is a curtailment of credit for current business and a tendency to advance interest rates paid with a direct influence on rates charged. The funds secured by the mortgage companies and the governments, bankers point out, are used for long term credits, thereby reducing the funds available for current trade and commerce. This situation was emphasized at the annual meeting of the Canadian Bank of Commerce this week by the general manager, Sir John Aird. He said in part:

"Apparently the fact that these Governments are in the field, and the high rates of interest they are paying, added to the difficulties of securing deposits in Great Britain at the prevailing rates of sterling exchange, have stirred the loan companies to more aggressive methods, and to the offer, in some cases, of even higher rates than the Governments. The added competition of both Governments and loan companies must result in using up the liquid working capital of the country, thus restricting the supply of funds for commercial business, and ultimately tend to an increase in rates of discount because of the added expense to which the banks are subjected in maintaining their deposits."

Referring to the revision of the Bank Act next year, Sir Edmund Walker, president, said that this arrangement for a decennial revision was due to the desire of the bankers themselves to afford an opportunity for criticism and to propose changes in order to make the Act as perfect an instrument of service to the people as possible. Continuing he declared:

"We have the best medium of exchange in the world — the Canadian bank-note and the bank cheque with the clearing-house—and an evidence of the usefulness and perfection of our form of currency is that it became the model for the Federal Reserve currency in the United States. And yet there are Canadians who would destroy this system in exchange for fiat money, the folly of which has been known to students in the western world for at least two centuries, and which at this moment stands as the main difficulty in re-arranging the finances of Europe.

On the forthcoming revision of the Bank Act Sir John Aird expressed the opinion that the establishment of a government institution on the lines of the Commonwealth Bank of Australia suggested in some quarters, would not be best adapted to the needs of this country, where conditions and the character of business were highly different from those prevailing in Australia. The Canadian Bank Act, he added, had in the past met very fairly the requirements of a country such as Canada, but he was sure that the bankers of Canada would favor any amendments which were in the true interests of the public.

Evidently referring indirectly to the talk about a bank of rediscount for Canada, Sir John said that the Finance Act adopted as a war measure in 1914 had done good service and he expressed the belief that it would have benefits for the future also. Should any radical changes be suggested in its operations, they could only tend to the creation of some other agency to enable the banks to take care of the seasonal demands of business. The alternative would seem to be such an enlargement of the powers conferred upon the trustees of the Central Gold Reserve as would enable them to discount business paper and make advances against securities, but in our opinion the facilities afforded by the Finance Act provide all that is at present required.

At the annual meeting of the Bank of Toronto the general manager, John R. Lamb, declared that the coming revision of bank charters was probably the outstanding question of the year in banking circles. He said:

"It is to be hoped that any revision of the act will be constructive and calculated to assist, and not to hamper, our work. Now banking capital should be encouraged. We have a highly productive country, the balance of trade is running substantially on the right side, and, notwithstanding all factors to the contrary, we are looking forward to a year of quiet improvement in business.'

Sir Herbert Holt's Views

At the annual meeting of the Royal Bank of Canada Sir Herbert Holt, the president, expressed confidence that the revision of the Bank Act will be considered solely from the point of view of the commercial welfare of the Dominion and that few changes will be found necessary or advisable. "No banking statute yet devised can prevent some hardship in times of depression, but we can claim for our system that all the moneys entrusted to us have been absolutely secure during the trying days of deflation, while in almost every other country of the world there have been some depositors who have lost their savings."

E. L. Pease Resigns as Managing Director

MONTREAL.—In addressing the shareholders of the Royal Bank on Thursday of this week, Sir Herbert Holt, the president, made the following announcement:

"I regret to have to announce that Mr. Pease has decided to relinquish the office of managing director and chief executive officer, as he desires to lighten his responsibilities after forty years of service in this bank, but I am pleased to say that Mr. Pease will continue as director and vice-president. The office of managing director will be discontinued and the general manager will become the chief executive officer."

EXCHANGE MARKETS

From the following quotations it will be noted that there has been little change in the position of the Canadian dollar in New York during the week. New York funds have been quoted generally around ½ per cent. premium up to 15-16 per cent.

The European developments have caused the pound sterling to strengthen and Francs and Lira to decline.

NEW YORK FUNDS

Jan. 4. Funds opened at 15/16 premium and reacted to low of ⅝ at the close.

Jan. 5. Opening at 9/16 funds ranged from a low of ½ to high of ⅝, closing at 19/32.

Jan. 6. Funds opened at 9/16 premium, and reacted to 7/16 at the close.

Jan. 8. Opening at ⅜, down 1/16 from the previous close, funds closed at 11/32.

Jan. 9. Funds opened at ⅜ premium and firmed to 17/32 at the close.

Jan. 10. Opening at 9/16 premium funds firmed to a high of 13/16, and closed at ¾.

STERLING, FRANCS, AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Jan. 4.	4.64¼	7.03½	5.08½
Jan. 5.	4.64¾	7.08½	5.08½
Jan. 6.	4.64⅜	6.91½	5.05
Jan. 8.	4.64⅜	6.68½	4.92
Jan. 9.	4.65⅛	6.74½	4.86
Jan. 10.	4.67	6.95¼	5.02½

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Jan. 4, 1923	Change	%
Montreal	$114,458,853	—$3,458,900	2.9
Toronto	107,198,244	+ 7,720,938	7.8
Ottawa	5,985,163	— 923,260	13.4
Quebec	5,492,321	+ 387	.01
Hamilton	5,081,397	— 199,461	3.8
London	3,611,141	— 449,394	11.1
Windsor	3,191,224	+ 427,997	15.5
Halifax	3,020,820	— 360,861	10.7
St. John	2,557,046	+ 381,136	17.5
Brantford	1,162,458	— 50,535	4.2
Kitchener	985,483	— 72,294	6.8
Sherbrooke	895,265	— 82,584	8.5
Moncton	826,184	— 137,251	14.3
Kingston	687,039	— 197,832	22.4
Peterboro'	687,011	— 148,110	17.7
Total East	$255,839,649	+$2,449,976	.96

WESTERN CITIES

	Jan. 4, 1923	Change	%
Winnipeg	$ 52,577,898	+$2,636,531	5.3
Vancouver	13,226,484	+ 141,670	1.1
Calgary	6,424,545	+ 484,326	8.2
Regina	4,404,129	— 449,305	9.3
Edmonton	4,397,876	— 292,096	6.2
Moose Jaw	1,581,984	— 37,096	2.3
Ft. William	852,147	— 155	.02
Lethbridge	821,625	+ 175,982	27.2
Brandon	680,279	+ 29,428	4.5
N. Westminster	465,538	— 64,752	12.2
Prince Albert	388,418	— 53,885	12.2
Medicine Hat	333,915	— 43,121	11.4
Total West	$ 86,154,788	+$2,527,527	3.02
Grand Total	$341,994,437	+$4,977,503	1.5

BANK BRANCHES OPENED IN DECEMBER

Seven Branches Opened and Twenty-one Closed

The Canadian chartered banks during the month of December opened only seven new branches, while for the same period they closed twenty-one branches. The Nationale opened six new branches, five of which are situated in New Brunswick. The Imperial closed five branches, the Commerce and Royal four each, Hochelaga and Nationale three each, and the Dominion and Union one each. Following is a list of the branches opened and closed during the month:

OPENED

Dominion—St. John, N. B.

Nationale—St. Jacques, N.B.; Lac Baker, N.B.; St. Francois-de-Madawaska; Baker Brook; Green River Station, N. B.; Quebec, Que.

CLOSED

Commerce — St. Joseph de Beauce Que.; Georgetown, P.E.I.; Vernon Bridge, P.E.I.; Quesnel, B.C.

Dominion—Seven Persons (sub. to Medicine Hat).

Hochelaga—St. Zephirin, Que. (sub.); Sacre-Coeur de Marie, Que., (sub.); St. Jean de Matha, Que., (sub.).

Imperial—Harding, Man; Dorenlee, Alta., (sub.); Greencourt, Whitecourt, (sub.); Lousana, Alta.

Nationale—Ferme-Neuve, Que.; St. Ferdinand; Parent, Que.

Royal.—Haileybury, Ont.; Harbour Buffett, Nfld.; Atwater, Sask.; Stornoway, Sask.

Union—Kentville, N. S.

DOMINION

F. H. Stewart, teller at the Hespeler branch of the Dominion Bank, has been transferred to the head office of the bank.

MONTREAL

T. L. Jolliffe has been appointed manager of the Alexander, Man., branch of the Bank of Montreal, to succeed D. F Livingston, who has been transferred to the Hartney branch as manager.

UNITED STATES MAY LOSE GOLD LATER ON

But Important Currency Reforms Must Precede a Free Gold Market

The general rise in foreign exchange values, as compared with the American dollar, in the last few weeks has accentuated interest in the possibility of an ultimate loss by the United States of a part of its gold holdings when conditions are ripe for a wide extension in the international movement of the metal. Important currency reforms, however, even in countries whose currencies have approached parity, remains to be effected before a completely free gold market can be sustained.

It is noteworthy that sixteen of twenty-five principal currencies quoted in New York reached, or equalled, their low points for the last year during the first three months. Nine other currencies attained their low points in the last quarter of the year. In general, those relatively weakest at the outset were, besides sterling the European neutral (Swiss franc excepted), the South American and the Far Eastern exchanges; while those at their weakest toward the close of the year were the currencies of the recent belligerents and Ecuador and Brazil.

Great Britain has been in the forefront of the recent European belligerents in the reduction of debt and taxation. This record has added to the repute in which British currency is held abroad, particularly in view of the various economically unsound legislative proposals which are occasionally brought forward in other countries seeking a short-cut to financial stability. Indirectly, the pound sterling benefits from these proposals by the attraction of internationally available investment funds to London.

The course of other principal exchanges has been shaped largely by the potentialities of the reparations policies of the various countries concerned. With more general comprehension of the fact that some compromise respecting reparations is inevitable, this question should become a more nearly stable influence on the exchanges.

Pay Receipt Tax on Municipal Tax in Bulk

Giving employees brass tags when they start to work, which in turn they turn in as an evidence that they are entitled to wages, is the method being adopted in some municipal centres to evade the Receipt Tax in connection with the pay roll of their laborers. London is one centre which has adopted this method.

Municipalities have been making representations to Ottawa for relief from the application of this tax in connection with their annual municipal tax collections. It is being argued that it is unfair to tax a man for paying his taxes. Finance Commissioner Bell, London, is asking Ottawa authority to pay the tax in a lump sum, a blanket tax for each book of 200 receipts. He has not yet received an answer to his proposal.

The counter receipt has disappeared. Stores are presenting the usual bill to their customers with purchases but are not marking them paid.

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TWENTY FOURTH ANNUAL REPORT

	1912	1917	1922
Assurance in Force	$18,403,232.00	$22,686,816.00	$37,128,662.00
Total Assets	2,093,280.83	3,755,420.53	6,150,895.26
Premium and Interest Income	586,248.75	891,925.25	1,477,486.70
Surplus (including Paid-Up Capital $250,000.00)	334,160.51	339,130.37	611,274.86
Payments to Policy-holders	70,110.72	245,212.26	499,452.29

Total Business in Force	$37,128,662.00	Increase	$2,625,183.00
Total Assets	6,150,895.26	Increase	430,591.34
Total Cash Income	1,477,486.70	Increase	81,869.94
Surplus	611,274.86	Increase	83,003.64
Payments to Policyholders	499,452.29	Increase	72,999.32

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NEWS AND VIEWS FOR MANAGERS

MERCHANDISING IN CREDIT THE BANK BUSINESS

Turnover as Important With Banker as With Retailer

In last week's issue it was shown by an article by A. B. Barker, manager of the Toronto Clearing House, how the demand for cheap money by the farmers' problem. It is credit rather Canada alone, but to the world position of agriculture following a period of slumping prices. Continuing this week Mr. Barker shows that making "money" is not the solution of the farmers' problem. It is credit rather than money that is needed and the bank deals in credit as a merchant deals in goods.—J. W. T.

The same trading rules apply to the bank as to the grocer. It buys and sells credit, buying credit when it takes in a deposit, and selling it when it makes a loan or discounts a note, and its ability to sell depends entirely on its ability to buy credit, and this ability to buy credit depends chiefly on its ability to pay as agreed. There is, however, this difference: that the grocer buys from the few and sells to the many, and the bank buys from the many and sells to the few. This has a far-reaching effect on the dealings of each, as while the grocer may, without loss of credit, ask his wholesaler to renew a bill to permit the collection of funds, if some of his customers do not pay as promptly as expected, while the bank has no such latitude; it must pay on demand or confess insolvency.

Even a whisper of the possibility that such payment may not be forthcoming is enough to cut down the bank's supply of credit, and force a reduction of its loans.

A bank's deposits, the source from which the funds to make its loans are obtained, are payable on demand, and this a bank must be able to do, or close its doors. If all depositors wanted their money at once no bank could continue in busines. Experience has shown, however, that only a certain percentage will in the ordinary course be demanded from day to day, and by carrying a reserve in actual cash, in the shape of specie and Dominion notes, sufficient to provide for this and for any ordinary unlooked for call, the balance may be used for loans and discounts in the usual course of business. Now, in order to make profits, it is necessary to keep the available funds as fully employed as possible, i.e., loaned in productive enterprises, so that it is not to the bank's interests to curtail loans. With these loans, however, it must have turnover, which does not mean renewals but fresh transactions. All business is seasonal in its need for bank credit. Different classes of producers requiring accommodation at different seasons of the year, and the presumption is that each class will clean up its advances at the end of its season. The bank must insist on this, as it is the only means it has of obtaining funds to accommodate other classes of borrowers in their turn. To make a profit the bank must keeps its funds fully employed and if, therefore, it has made a mistake, and loaned some of its resources to borrowers who do not pay as agreed when their season is ended, the next class of borrowers must go short of the accommodation to which they are entitled.

Turnover Essential

Thus necessity of turnover makes it essential that the bank funds be employed only to supplement working capital, and any attempts to divert them to long-winded, or capital investments, is not only contrary to the rules of good banking, but what is far worse than the mere breaking of a rule, it is a blunder.

It is often remarked that a bank manufactures the credit in which it deals, in the sense that it creates credit; this is true only within very narrow limits. What a bank does is to turn raw material into a finished product. It takes the surplus credit of its depositors and gives it a currency which it could not otherwise have. Without a banking system it would have been practically impossible for people living in the East to have furnished the credit with which the West has been developed, certainly not at the low prices at which it has been supplied.

It is true a recent critic claims that he paid 32 per cent. for an advance from a bank in the West, but judging from the wildness of some of his other statements it is very probable that if he had given dates and figures these would have shown on examination that his calculations had been carelessly made.

The same critic speaks caustically of the bank's note issuing privileges. It is true this is a valuable privilege and it is also true that the banks make a profit. Otherwise there would be no inducement for the banks to undertake this part of their functions. The profits derived from note issues. popular opinion. The funds obtain- popular opinion. The funds obtained through the note issue increase the bank's loanable resources by the amount outstanding and when merely the figures of the total circulation outstanding are considered the amount is impressive. At the end of November, 1922, the total circulation outstanding was $169,626,264 and if the banks could lend the whole of this without cost to them except the printing the profit would be most attractive. Unfortunately, however, from the bank's point of view, the returns scale down considerably on investigation. In the first place the free circulation about which so much is said (it is now taxed at the rate of 1 per cent. per annum) is limited to the amount of the paid up capital which is $125,144,555 leaving roughly $44,000,000 and this surplus must be covered by a deposit of gold or Dominion notes with the central gold reserve, so that on this there can be no profit to the bank which must also bear the expense of handling, including the cost of remitting between branches. At certain seasons of the year the banks are persuaded to issue in excess of capital and the deposit in the gold reserve an amount equal to 15 per cent. of combined capital and rest, but as on this the tax is 5 per cent. there can be no profit in this.

On 30th November the deposit in the gold reserve was $59,000,000 so that the total uncovered issue was only $110,000,000. Of this the amount actually in the hands of the public is, of course, the only amount on which the bank can possibly make a profit and on the date referred to this was only $70,000,000 as other banks were reported as holding $40,000,000 and this would be prescribed for redemption within a day or two at the outside and legal tender notes must be held in reserve to provide for them. The Canadian banking custom in regard to cheques deposited must also be taken into consideration when circulation is discussed. If a cheque on another bank is accepted in deposit the proceeds go at once to the customer's credit and though the bank will not actually receive settlement for it until the following day the funds are available at once to the depositor. In many sections of the United States such funds are not available in this way, but time must be allowed for the bank to obtain actual settlement. Federal Reserve banks will clear such cheques for their members at par, but the depositing banks may not consider them part of their cash reserves until time has been allowed for full clearance. In Canada the volume of such funds is heavy and on 30th November amounted to $117,000,000, which seems a fair offset to the loan of $70,000,000 obtained from the circulation.

Cassel On Reparations

Third Article

By ROY W. SOWERS.

Any consideration of the financial chaos of Europe makes it abundantly clear that before there can be any stability in the system of international payments, one problem must be definitely settled, i.e., that of reparations and inter-allied war debts. During the past few days France has announced that she will invade the Ruhr Valley, and we have seen a fairly marked depreciation in francs as a result. Under such circumstances normal trade cannot be carried on.

J. M. Keynes and Gustav Cassel have both pointed out that the reparations clauses of the Treaty of Versailles and of the later London Agreement were doomed from the beginning. The general assumption has been, apparently, that in some miraculous way the payments would be made. That belief has not been shared, however, by those in touch with the situation. The present crisis has been expected, and it would appear that the effect on francs and marks had been largely discounted well in advance.

Cassel points out that all calculations of Germany's capacity to pay based on the estimated pre-war saving capacity of the country, are entirely unsound. The savings of the community cannot be used for any purpose thought desirable but are a necessary condition of economic progress and immediately take the form of the real capital, (houses, machinery, etc.) required for this progress. And if it be said that a country must sacrifice progress in order to pay its debts, it must be remembered that progress cannot be stopped without injury to the producing capacity of the country. Before the war the savings of Germany were approximately one-fifth of the current income of the country and this sufficed to secure the normal rate of progress. "It seems a very moderate estimate to say that five years of the most terrific warfare, ultimate defeat and subsequent heavy penalties must have reduced the earning capacity of the country by 20 per cent. The present income of Germany would then only correspond to that part of her pre-war income which was consumed, and any indemnity would have to be paid out of this income. Undoubtedly the main source of the indemnity must be a reduction of the pre-war standard of life of the German people. Such a reduction, however, is not practically possible without injuriously affecting the standard of life of the mass of laborers, and involves an imminent danger that the efficiency of labor also will be reduced. But with a diminished efficiency of labor and a curtailment of the supply of fresh capital the producing capacity of the whole country must decrease. Once this effect has been produced by too heavy claims for the payment of the indemnity, further exaction of such claims will be economically impossible, and no 'sanctions' will be able to alter this fact."—(Cassel—2nd Memorandum, Manchester Guardian Commercial, Nov. 27th, 1921.)

Another aspect of the indemnity question is the unwillingness of the claimants to receive the indemnity which they claim. "This absurd situation is a result of the widespread influence which protectionist ideas have acquired since the war, principally by the exploitation of war-antagonism. The countries which are entitled to participate in the indemnity are not willing to receive German products; nor do they wish, in cases where actual reparation is required, to open their doors for German labor or German enterprise, which would share the employment and profits offered by reparation work.

"Sometimes it is declared that the indemnity must do more harm than good to the country receiving it, and that it is better to abandon the whole thing. This is, of course, wrong. To receive an indemnity is undoubtedly an economic advantage; but it is not an unmixed advantage. The indemnity must somehow be paid in commodities and services; these must compete with commodities and services supplied by the receiving country itself, and the competition must be so far successful as to allow the indemnity to be paid."

At present, the usual plan of countries claiming indemnities is to close the frontiers against German competition and let the flood of German goods go elsewhere. This seems hardly just to countries who have nothing to do with the indemnity, and they can hardly be expected to support such a policy. "The consequence has been a general growth of protectionism, and, notwithstanding all that was said at the International Financial Conference at Brussels in favor of free trade and free intercourse between nations, the world is unmistakably moving in the opposite direction.

"This result of the indemnity is most unfortunate and injurious, and is perhaps the most important hindrance to the economic recovery of the world, which, even for the Allied countries, is of much greater interest than any indemnity. What makes the protectionism of today so especially pernicious is that it leaves everything in a state of uncertainty. The world's trade can adapt itself to adverse conditions, but in the present state of affairs no one knows to what conditions trade should be adapted."

These remarks about the German indemnity also apply to the other international debts which are the heritage of the war. As yet there has been little consideration of the difficult reorganization of the world's trade necessary to effect payment. Is it fair for a creditor country to aggravate the burden of debt by raising high tariff walls against the commodities by which payment can most conveniently be made? Cassel calls this a "national profiteering policy." He suggests that Great Britain should exchange claims on her Allies for certain amounts of indemnity bonds and cancel them. The United States could do the same on a still greater scale. They would thus avoid the real inconvenience of becoming Germany's creditors. The crux of the matter is this: "It is first of all necessary that the international indebtedness inherited from the war should be settled on such terms as would satisfy the world that the debts can really be paid, and make it clear by what concrete means payment can be offered and accepted."

Branch Bank Controversy Over Hundred Years Old

That the controversy regarding branch banks and numerous small unit banks had been carried on since 1790 was pointed out by Sir Edmund Walker at the annual meeting of the Canadian Bank of Commerce; in that year Alexander Hamilton first demonstrated the value of a bank as an arm of the state, fit not only to serve the individual, but the state itself, the largest national business ventures and the smallest needs of the people. These wants, large and small, Sir Edmund declared, had been as well, if not better, served by the Canadian banks than by any other system, and no other system could be proposed that would effectively take its place. It should be remembered that the Canadian chartered banks were commercial and not land banks and that the principles according to which commercial banking can be safely carried on are not subject to change simply because a community finds that it has hurt its credit by going too much into debt.

Hamilton

The Dundalk branch of the Bank of Hamilton, have vacated their premises in the Bell Block, and are now occupying their newly acquired property in the Wilson Block.

Commerce

G. Johnston, of the Cayuga branch of the Bank of Commerce, has been transferred to the branch at Woodstock, and Mr. Cheer, of Tillsonburg, has been transferred to Cayuga.

Montreal

C. H. Harris, who for several years has been manager of the Campbellford branch of the Bank of Montreal, has been appointed to the inspectorate of the bank.

E. Duthie, manager of the Stratford branch of the Bank of Montreal, has been transferred to the St. Stephen, N. B. branch, succeeding E. W. Ward.

Thomas Guy, manager of the Haymarket branch of the Bank of Montreal, has been appointed manager of the Perth branch.

F. C. Ridley, formerly manager of the Edmonton Branch of the Bank of Montreal, who has been transferred to the Calgary branch, was recently honored by the bankers of Edmonton on the occasion of his leaving for his new post.

A. C. Fraser, manager of the Bank of Montreal at Granville and Pender Sts., Vancouver, and who before the amalgamation of the Merchants Bank with the Bank of Montreal, was superintendent of the Merchants Bank branches in British Columbia, has resigned to accept the appointment of general manager of the firm of Lougheed & Taylor, at Calgary.

TO MAKE BOOK PAPER

Machinery is now being installed in the Provincial Paper Plant at Fort Arthur for the manufacture of book paper. Two such machines are being placed in the building erected for the purpose. The plant when completed will be one of the best equipped of its kind in the Dominion.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JANUARY 12, 1923

CAN LLOYD GEORGE COME BACK?

LLOYD GEORGE'S propagandists are at work in the American and Canadian press. They are trying to raise him in public estimation by belittling the Bonar Law government. The Harding government have been suspicious of him since peace conference days and for that reason refused to enter into any European negotiations with him. Their experiences led them to believe that he could not be trusted; that he was intentionally or unavoidably unscrupulous. It is true that he had many friends in the press who refused to believe in the shiftiness of his character. But they have recently had a practical experience which will seriously injure his reputation among the newspapers on this continent.

When Mr. George announced he was writing his story of the war and European conditions he also advertised extensively that he was to give all the profits on his writings to charity. He received the largest sum ever paid for such a book—somewhat in excess of $300,000. He signed binding contracts and obtained an advance of $20,000 from newspapers for the serial rights. Without saying anything to the publishers to whom he had sold the rights, he entered into an agreement with rival publishers for the sale of another series of articles which would cover much the same ground and which would be published in advance. When the publishers who had bought the original rights and had paid him $20,000 in advance got a hint of this they entered a protest. Lloyd George's reply was: First, that he was a poor man and needed the money; second, that he would still write the book. But the publishers were not to be bluffed and took legal action and compelled him to return the $20,000 advanced and cancel the contract.

THE POST offended many of its Tory readers by its support of Mackenzie King in his refusal to be stampeded into a Near East war on the representations of such a shifty individual as the British Prime Minister. The above is given as evidence of that shiftiness, which we mistrusted; and for the information of our Tory friends, and THE POST is a strong supporter of Tory principles, we would refer to a letter recently printed in the Winnipeg Free Press quoting our greatest leader, Sir John Macdonald. Under the same circumstances, Sir John, then Prime Minister, took exactly the same stand as we took; took exactly the same stand as Mackenzie King took.

THE FARMERS AND THEIR TROUBLES

CANADA is not the only country where the farmers are seeking relief in the form of easier credits. In the United States, in Australia and in other countries where a large portion of the population is engaged in agricultural pursuits there is the same demand for something to offset the economic consequences of the slump in the markets for farm products the prices of which are directly affected by the buying power of Europe. There is general recognition of the difficulties which the farmer is experiencing and a desire to do something, because agricultural depression is far-reaching, but creating cheap money promises to bring nothing inevitably but greater problems.

The extent of the depression which the farmer is feeling is the reaction from the prosperity which he experienced some years ago, and economic laws adjust the extent of the swing. But did the farmer keep his house in order? Did he save for the lean years from the fat years? Many did not.

One might well have supposed that in such a period of rising prices the farmers would have reduced indebtedness of all kinds—paid off the mortgage and paid off what might be owing at the bank. On the contrary we find that in the United States farm mortgage indebtedness was very largely increased during this period and bank loans extended. In older parts of Canada there was some disposition to burn the mortgage but in the West the tendency was in the other direction. The war-time greater production campaign was responded to. In the arithmetic of bushels by acres there were paper profits by buying more land, by borrowing more money, by sowing more acres. The idea of conserving profits or even of improving farming methods was largely lost sight of in the understandable optimism of acreage multiplied by price.

Then came the slump. With the decline in market prices on the one hand and high costs of production and overhead on the other the farmers have suffered—suffered in many cases, particularly in the West, in proportion to their acreage. Canada perhaps more than any other country in the world is dependent upon profit-making farming for the prosperity of all her people. Everything that can be done should be done to make agriculture profitable to our people on the land and attractive to newcomers, but it must not be forgotten that there have been some economic sins committed which must be lived down—economic laws apply to farming as to any other business.

AND THE MUNICIPALITY PUTS UP THE MONEY

CITIES and towns all over Canada are being baited by promoters of new industries who hold out tempting promises and wind up by explaining that of course some local support will be expected in taking up stock. Usually it is found that all the promoter has is an idea and that capital and most everything else is to be "home brewed."

It is a matter for satisfaction then to find that at the semi-annual meeting of the board of trade of Brockville, the president, C. E. Bissell, emphasized to the members that Brockville was no place for "smooth" promoters. Several propositions had recently been turned down by the board he explained, when it was found that the main, if not the sole, object was to sell stock. One man whose business was the manufacture of milking machines, went to the extent of selecting a site overlooking the St. Lawrence for his palatial home, but when terms were discussed, the incorporation of a new company was demanded as well as a subscription of $25,000 in stock. Another tinware concern wanted $30 000 in stock if an existing building were used, and $60,000 if a new building was erected. A woodenware firm desired a cash donation of $15,000, and there have been others in the same class.

Recently an automobile promotion scheme exploded at Peterboro. There have been many such explosions. In fact the Ontario city which has not been singed on some sort of automobile project is the exception. And yet just this week THE FINANCIAL POST received an inquiry from one of the lake towns which is trying to locate a branch of an American automobile concern. Of course the American company is a sound one, that is what makes the proposition attractive at first flush. And all that the local people have to do is to provide a site, tax exemption, etc., and then subscribe $150,000 of stock.

If there were more municipalities with the commonsense of Brockville there would be more municipalities with reasonable tax rates—and there would be fewer epitaphs in the industrial graveyards.

THE WAGES OF ECONOMIC SIN

A "MOVIE" actor of note is waging a fight against the drug habit, and it is said 116 other actors and actresses were written down as "unsafe" by a committee of the industry which recently investigated.

Blame will attach to the moving picture industry, whereas blame lies only with those heads of the industry who have indulged in an orgy of extravagance, paying boys and girls fabulous sums—giving them the means to buy without giving them the judgment and restraint gained by years of struggle.

Is it any wonder that following such a tidal wave of spending shipwrecks have occurred? The wages of economic sin are liable to be death.

ADVANTAGES OF STARTING NOW

LAST week two of Chicago's biggest business men stepped out of commercial life and were succeeded by young men trained in their own organizations. John G. Shedd, whom Marshall Field called "the world's greatest merchant," retired from the presidency of Marshall Field and Co. where he had started as a $10 a week clerk. He was succeeded by James Simpson, who began his career as an office boy. The man who took Simpson's place as vice-president also started as an office boy.

J. Ogden Armour also resigned a presidency last week. The new president of the gigantic Armour packing interests is F. Edison White. White began his career at the age of seventeen in the blood and slime of the packing house. He worked on the killing floor for a year. Within ten years of that time he was assistant to one of the company's vice-presidents.

In the careers of Shedd, Simpson and White there is inspiration for any young man. Every one of them started at the bottom. Every one has reached the top. Not one of them has any particular advantages as to education—merely determination and common sense and a recognition of the duty of big companies in serving the public well.

EDITORIAL NOTES

THE UNITED STATES Federal Reserve Board investigations show Canadian prices to be running 17 points lower than American in both terms of respective currencies and on a gold basis.

* * * *

THAT THE CANADIAN dollar regained par without relaxation of the embargo on exports of gold from Canada is pointed to as a "notable accomplishment" by James S. Alexander, president National Bank of Commerce in New York.

* * * *

LITTLE NEED for civic politicians to buy popularity at the expense of doles for the unemployed this year when there is so little excuse for unemployment. In Toronto this week a hundred men were wanted to go into the woods on lumbering operations; only thirty could be secured.

* * * *

WASTE IN government will not cease until an aroused public opinion serves notice on public officials that extravagance and inefficiency will meet with the censure they deserve, declares Lewis E. Pierson, chairman of the board Irving National Bank, New York. Mr. Pierson says that governments take their color and their policies from the people they serve, and the real responsibility for governmental waste does not lie with the politician who creates places for his henchmen, or with the harassed executive who signs appropriation bills prepared for him by log-rolling committees.

* * * *

AN INCREASE in the sales tax, if necessary, or, better still, a reduction in national expenditures, to eliminate the necessity for the troublesome stamp taxes, was suggested at the annual convention of the Canadian Produce Association in Toronto this week by the president, R. S. Whyte, of the Whyte Packing Company, Toronto. The attitude of those present indicated the growing opposition to taxes which hamper business and in that very hampering run up the cost of collection.

* * * *

LIVE STOCK experts are emphasing that the removal of the British embargo against Canadian cattle will not mean much to Canada until Canadian farmers and breeders raise more cattle suitable for export. And having brought them on so far, why not finish them in Canada with Canadian feed, transform them into beef with Canadian capital and Canadian labor and use the by-products for the development of Canadian agriculture? Besides it is easier to ship beef than cattle.

* * * *

THE ORGANIZATION of the National Association of Unemployed in Winnipeg recently leads C. W. Peterson of the Farm and Ranch Review to exclaim: "Lord help us! Are we now to have a highly organized class, or caste, of unemployed?" Mr. Peterson believes that as the farmer has to compete in world markets in the sale of his products, the result of his labor, other workers should do likewise and not howl to the government when the market for their services is not favorable. The market for labor, like the market for wheat, is subject to the laws of supply and demand—the unchanging laws of all time.

National Railways and the C.P.R.

Comparison of Earnings in Freight and Passenger, per Ton Mile, and in Mileage—Margin of 33% C. P. vs. Only 15.4 on C.N.R.

From Our Own Political Correspondent.

A Comparison for October

Oct. 1292	Can.Nat.Rys.	Grand Tk.	C.P.R
Freight rev.	$11,441,492	$5,690,566	$17,838,482
Passenger	1,611,588	1,114,218	3,061,510
Express	357,553	245,000	519,552
Mail	185,253	100,500	303,104
Total revenue	14,074,024	7,557,284	23,042,351
Operating expenses	11,917,280	6,770,676	15,330,182
Net oper. rev.	2,156,743	786,607	7,712,169
Miles operated	17,259	3,612	13,877
Rev. freight carried	2,974,581	2,529,282	4,502,648
Rev. passengers	890,554	816,009	1,111,036
No. employes	64,769	30,874	60,696
Ray roll	7,583,966	3,904,752	8,032,274
Oper rev. per mile	815	2,092	1,660
Oper. exp. per mile	690	1,874	1,104
Fr. rev. per fr. train mile pass. train	4.45	5.78	5.34
Pass. rev. per mile	2.14	2.39	2.70
Pass. carried per mile	56	63	74
Over pass. journey	68.6 mi.	50.6 mi.	103.9 mi.
Ratio pay roll operating rev	53.9%	51.7%	34.9%
Ratio pay roll operating exp.	63.6%	57.7%	52.4%
Ratio oper exp. to rev.	84.6%	89.59%	66.53%

MONTREAL.—In the table presented above a comparison is shown between earnings and expenses of the three groups: Canadian National Railways, Grand Trunk and the Canadian Pacific Railway. These comparative figures will help in arriving at an understanding of the reasons why the Canadian Pacific Railway Co. is able to pay bond interest and preferred and common stock dividends, while the government-owned roads fell behind to an extent amounting to about $50 000,000 during the past year, while it is reported they broke even insofar as the relation between operating expenses and operating revenue was concerned.

For instance, the freight revenue of all the government systems with mileage of nearly 21,000 miles as against 13,877 of the C. P. R., showed freight revenue of actually less than that of the C. P. R., the total of the government roads being $17.131,000 as against $17,838,000 of the C. P. R. The passenger revenue on the government roads amounted to $2,725,000 where the C. P. R. revenue amounted to $3.061,000. The total revenue on the government roads amounted to $21.631.000 as against $23,042,000 for the C. P. R.

Much Lower Cost on C. P. R.

The cost of operations, however, showed a much greater difference in favor of the C. P. R. The total cost of the latter road amounted to $15,330 000, where the costs for the government roads amounted to $18,687,000. The result was that the net operating revenue of the government roads amounted to $2,943,000 where the C. P. R. amounted to $7,712,000 or over 2½ times as much.

This worked out on a basis of percentage of operating expenses to gross revenue of 66.53 in the case of the C. P. R. where the Canadian National was 84.6 per cent. and the Grad Trunk was 89.59. In other words the margin of net profits applicable to what may be termed funded charges for the C. P. R. was 33.47 per cent. of the gross revenue where in the National Railways it was 15.4 per cent. and in the Grand Trunk 10.41 per cent. The latter figure, however, it should be stated in fairness, is smaller than the Grand Trunk usually averages, whereas on the other hand the Canadian National figure is much larger than it usually averages.

So far as passengers are concerned the Canadian National Railways and Grand Trunk carried almost the same amount, or about between 75 and 80 per cent. each of the total of the C. P. R. The percentage of freight carried, however, fell much below this, the Canadian Nationals carrying less than 70 per cent. and the Grand Trunk less than 60 per cent. of the C. P. R.

Taking the ratio of miles operated with the number of employees it is seen that the C. P. R. has the least, 4.3, where the Canadian National has 5.5 employees for every mile operated and Grand Trunk 8.5.

Canadian National falls down, of course, in the amount of revenue per mile operated showing up very badly as compared with the other two roads. Its total was only $815 where the C. P. R. has over double or $1,660 and the Grand Trunk with its more condensed traffic and shorter hauls showed $2.092 or considerably better than the C. P. R. itself. The operating expenses per mile showed $690 for the Canadian National as against $1,874 for the Grand Trunk and $1.104 for the C. P. R.

Passengers carried per mile showed the C. P. R. ahead with 74 as against 63 for the Grand Trunk and 56 for the C. P. R. Moreover the average passenger journey on the C. P. R. was nearly 104 miles as against 50 for the Grand Trunk and 68 for the C. N. R.

The pay roll of the C. P. R. takes only 35 per cent. of its total revenue while the Grand Trunk takes nearly 52 per cent. and the C. N. R. takes 54.

World Politics Mar Outlook for Business

(Continued from page 1)

very large domestic market, the American manufacturer is at a definite advantage.

On the basis of facts at hand today it seems probable that agricultural and raw material exports in 1923 will be about the levels of 1922. They might be increased somewhat if European conditions should improve more rapidly than now seems likely. With the slow betterment of conditions in countries which are normally importers of manufactures, there may be moderate gains in exports of finished products, but there are no grounds for expecting more than this.

Business in 1923 must depend primarily on domestic demand and the future of that demand depends on the relation between prices and purchasing power. From January to November 1922 the wholesale price index of the United States Bureau of Labor Statistics advanced 13 per cent. During the ten years from 1901 to 1910 the advance was only 25 per cent. although the rise in prices during that period resulted in frequent investigations as to the causes of the high cost of living. This rise in prices would not of itself necessarily handicap domestic business. During the world war, however, artificial factors drove prices in the main group out of relation to each other and since that time disturbed conditions have served to continue this lack of adjustment.

There has been determined resistance to higher prices in the United States throughout 1922. Wholesalers have hesitated to buy because of doubt on their part as to the willingness of the retail trade to follow prices up. Retailers in turn have resisted because of doubt as to their ability to pass increases on to the consumer. Consumers in turn have resisted partly as a result of inability to pay higher prices and partly because of unwillingness to do so.

Farmers have not been able to follow up prices and the same is true of persons dependent on investments and other similar forms of income. High rents have also been a factor in limiting the buying ability of other large classes of the population. City workers are in many cases paying an undue proportion of their income for rent, rents in turn being in a large measure a reflection of high building costs.

Unwillingness to pay advancing prices on the part of those who might be able to pay results in part from the experience of 1920 when many bought heavily because of fear of shortages, proved by events to be surpluses. Except under such abnormal conditions as result from wars, the buying public is slow to accept rapidly advancing prices because it feels instinctively the presence of a speculative factor.

The profit question and the problem of wages and prices are one. While the position of the American farmer is somewhat better than it was a year ago, there is no doubt about its being unsatisfactory. The United States is an exporter of farm products which must therefore sell at the international price level not only abroad but in the domestic market. American farmers must buy manufactured products, however, at prices determined by labor costs materially above the international level. Farmers also suffer from the high distribution costs which handicap all American business.

Position of Manufacturers

Although most manufacturing industries of the United States are now operating at not far from normal, profits are not commensurate with the volume of physical output. Numerous factors have contributed to this situation. Not only are some important industries seriously overbuilt as a result of war and postwar expansion, but a large part of this growth took place during a period of excessively high costs and expensive financing. As a result, overhead, fixed charges and depreciation are unduly heavy.

The Railroad Problem

The railroad situation is quite unsatisfactory. Carloadings for the first eleven months of 1922 did not fall far short of the record years during and after the war, and they were about ten per cent. above those in 1921. Nevertheless, results as to net operating income and return on capital are not encouraging. The difficulties of the railroads have their origin in the labor problem. Direct and indirect expenditures for labor constitute a large proportion of their entire outgo.

High freight rates primarily made necessary by inadequate output in proportion to wages paid are reflected in all classes of prices, especially agricultural products and other bulky or heavy raw materials. Failure of the railroads to earn sufficiently has made impossible the raising of new capital with the result that extensions and improvements are kept at a minimum and the transportation system of the country is falling behind the general economic development and population growth.

Attitude of Labor and of the Public

The present situation cannot continue indefinitely. Unless conditions change so that the farmers, a majority of the manufacturers and the railroads are enabled to make reasonable profits, curtailed production and unemployment will follow and costly readjustments will inevitably result.

The situation calls for a concentration of effort on increased labor productivity directly, and indirectly through the substitution of machinery for man-power. The limit in this direction has by no means been reached. The extent to which labor-saving machinery is developed depends primarily on the relation of the cost of man-power to machine-power. If conditions arise whereby it costs as much to hire a man to push a wheelbarrow as it does to hire a man to lay bricks, the answer will be the substitution of a mechanical appliance for the wheelbarrow.

The most unfortunate feature of the labor problem in this country is the question of curtailed output. Apparently, labor fails to recognize the essential difference between combinations among workmen to raise wages and combinations to curtail physical output by working rules and by opposition to improved machinery.

To put the fact simply, if three men are required by union rules to tend a machine which two could operate, the two in fact support a third in idleness. If a bricklayer who could lay a thousand bricks a day lays but three hundred, he himself and his fellow-workers are the prime sufferers. They pay the penalty in high rents.

It is the duty of that part of the community now penalized by high labor costs, including a large proportion of the wage earners of the country, farmers, manufacturers, and the general public, to omit no effort to develop a compelling public opinion in regard to this problem.

Rapid industrial expansion has been based on immigration. The war crystallized the national consciousness and a hostile sentiment developed toward the admission into the country of immigrants who might fail to accept American standards and ideals. It is nevertheless becoming increasingly clear that the restrictions on immigration which are now in effect require modification if we are to have a supply of common labor adequate for the development of the country's industries and business.

The problem is that of selection. The desirable immigrant is he who, regardless of race or language, has within him the spirit of individualism in which the country was founded and upon which its future depends.

A factor second to none in importance is the relation between business and government. Only a few countries appear to be making determined efforts to control public expenditures and their accomplishments are as yet most modest. The total burden of taxes is staggering and it is imperative that it be lightened. A united public opinion must be developed strong enough to bring a measure of relief.

After economy and resultant reduced taxes the next great need in the field of government is freedom from legislative whims. Bad legislation is only a little worse than rapidly changing good legislation.

INVENTORY SHOULD BE CLOSELY WATCHED

Quick Assets are composed of cash, accounts receivable, and inventories. They are called "quick assets" because they are supposed to be capable of quick conversion into cash.

Careful study will convince the manufacturer that the real hazard in his business, as far as his quick assets are concerned, rests not with his cash nor accounts receivable, but with his inventory, and that it will well pay him to devote the same energy, study and foresight to his inventory that he does to his other quick assets, says William M. Shaw, vice-president, New York Air Brake Co., in Forbes Magazine.

What can be done to further safeguard this very volatile asset?

In the first place appoint an honest, competent, experienced man who knows the product in all its details and pay him the same salary you are paying your assistant treasurer or cashier, be it $5,000 or $7,500 a year; for this man has far greater opportunity to save the manufacturer money and will be required to exercise far greater discretion and intelligence than your cashier will exercise in the course of his normal duties.

The inventory supervisor should report direct to the general manager and should have under him the purchasing agent, general storekeeper, receiving clerk and shipping clerk. All requisitions for material before going to the purchasing agent should be approved by him and only approved when he knows (a) that the material is actually needed, (b) that no substitute for material in stock can be made, (c) how much or how little it is wise to purchase.

The inventory supervisor should be in very close touch with the selling and production departments and know as far as possible what the requirements will be for a long period ahead, to enable him to form an opinion as to the general trend of the business.

A FRIEND OF THE FARMER AS A BANK DIRECTOR

Lethbridge Herald

Jas Stewart, whose association with the Wheat Board, as chairman, made him known throughout the Dominion and valued particularly in the West, is now being recognized by others than farmers as a business man of real ability. First the Government placed him on the Board of Directors of the Canadian National Railways and, all over the land, the choice was commended as the very best that could have been made. Now the Bank of Montreal, one of the great financial institutions of the country, comes along and puts Mr. Stewart on the directorate, where he will be associated with the outstanding leaders of business in the Dominion. Mr. Stewart will not be available for a Wheat Board again. He is now too busy a man, and there is reason to believe that he was never in sympathy with a Wheat Board in other than a war period, when very drastic measures always have to be taken.

Mr. Stewart may be very useful to the Western farmers as a bank director. Few men are as intimately acquainted with the marketing problems of the farmer.

INVESTMENT
STOCKTAKING TIME

Practically no investment problem is ever solved to stay solved. Conditions are constantly changing. The investments which suited conditions exactly at one time may be quite or entirely unsuited at a later date. Some securities may have had substantial advances and make it worth the investor's while to exchange them for other securities which may be temporarily low in price and give correspondingly high yields. Then, too, early maturing securities may oftentimes be exchanged to good advantage.

Do a little stocktaking. See that all securities are properly recorded; see that the securities held are completely satisfactory and see that the desirability of exchanges for higher yielding securities and securities of longer term are not overlooked. Idle or available funds should be promptly put to work.

We invite inquiries on all investment problems. Copy of January Investment List sent on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

ASSOCIATED REFINING

W. H., Toronto.—Can you give me any information regarding the bonds of the Associated Producing and Refining Corporation which are being offered by the Investors Service Corporation, Toronto.

We cannot regard this security as other than a speculation. While at first glance, the security seems to be ample, the appraised value of the assets being given as over $13,000,000 to cover an issue of $1,500,000 of bonds, this is not particularly an element of strength, as the assets consist chiefly of oil properties, rigs, and equipment. A bond issue on oil property can hardly be considered an investment.

The company is not controlled by La Paz Oil Coropration but La Paz Oil holds a substantial interest in it and has five representatives on the board of directors.

A criticism we would make is that the term and rate of the issue makes the cost of this capital very high. The bonds run for only five years, pay 8 per cent. and carry a bonus of common stock. If only an ordinary commission is paid for selling the bonds the cost of the capital will be unreasonably high and in itself indicates the very speculative nature of the enterprise. The buyer of bonds wants an investment, not speculation, in 99 cases out of 100.

The circular accompanying the issue is deficient in the particulars it gives. The list of directors seems to be incomplete, as the five La Paz representatives, for instance, are not shown. There is no statement of assets and liabilities; no statement of earnings; no certified copy of the appraisal of properties; no legal opinion; no statement as to the actual amount of the issue. There is also some doubt as to whether or not the money received from a man who invests in this issue goes directly to the company's treasury or not; that is whether the issue is made for financing the company or was part payment in some sort of deal.

HARDWARE UNDERWRITERS

A. B. A., Quebec.—Will you please give me what information you can regarding the Canadian Hardware and Implement Underwriters, 802 Confederation Life Building, Winnipeg. We understand this is an old established company in the United States which recently commenced business in Canada. Agents are soliciting business from merchants in this district.

Canadian Hardware and Implement Underwriters, Winnipeg, is the selling agency of three American fire insurance companies doing business in Canada. The association is endorsed by the Ontario Retail Hardware Association and the Manitoba Retail Merchants' Association. A very satisfactory business is reported with hardware dealers. The claim is made that this is the fifteenth consecutive year in which the association's hardware companies have returned a 50 per cent. dividend to the hardware trade. The companies hold Dominion Government charters to do business in Canada.

MANITOBA POWER BONDS

W. H., St. John.—Would be interested in your opinion in regard to Manitoba Power bonds in view of the difficulties reported regarding Winnipeg Street Railway franchise. We understand the reports have had some effect in regard to the market for this security.

Manitoba Power bonds are quoted about 97-98 in New York where the largest market for them exists. This is something off the original price but the present quotations are for bonds minus the warrants that permitted shareholders to subscribe for common stock. We do not feel that the bonds are likely to be influenced to any degree by the discussion concerning the Winnipeg Railway franchise. The franchise does not expire until 1927 and by that time satisfactory terms may be arranged for a renewal of the franchise. If not, the city will have to buy the line and the valuation made last year by the Manitoba Public Utilities Commission indicates that in the event of purchase of the railway franchise, bondholders of the W. E. R. and its subsidiaries, including Manitoba Power Co., should be amply protected.

FORT WILLIAM PAPER

Reader, Ottawa.—I shall be greatly obliged for any information you may be able to supply with regard to the Fort William Paper Co. I understand that some of those connected with this company are also officials of the Spanish River Pulp & Paper Company.

The Fort William Pulp and Paper Co. is controlled by Col. T. A. Gibson, president of the Spanish River Co., and J. G. Gibson, secretary of the latter company. Since it first started operations it has been turning out ground wood pulp until recently, when it was announced that the first newsprint had been made. Two machines of a capacity of 80 tons each have been installed.

During the past summer Peabody-Houghteling and Co., Chicago, floated a $2,100,000 bond issue for the company, which funds were to retire an outstanding $1,000,000 issue and provide the funds for the paper plant. The company claims to have ample timber limits and a favorable power contract. The company is in no way a Spanish River subsidiary. John G. Sutherland, former sales manager of the Spanish company, was one of the leaders in its organization and the first president.

ALGOMONT COPPER MINE

S. R. N., Ontario.—Please give me some information in regard the Algomont Copper Mines.

Stock in the Algomont Mines, Ltd., is being offered at 50 cents a share, by interests who evidently bought a block of the stock from the company. The underwriting price has not been made public.

This company has about 800 acres in Algoma, near Bruce Station. It is carrying on a legitimate mining effort and is not concerned about the stock selling. In fact, the secretary of the Company, B. Gallagher, 18 Toronto St., Toronto, was quite interested to know what price the stock was being offered at. He said the Company was interested only in mining, had a shaft down 300 feet and had drifted 300 feet one, and 40 another, and was said to have opened up a fine looking body of copper ore. Mr. Gallagher said the company had not had assays made but was satisfied with the value of the ore and the Engineer's report. Assays have been made for private individuals, but as their method of sampling, generally hand-picked, is open to question, the value received should be disregarded as not representing a true average value of an ore body of a given width over a certain number of feet, which is the only true way to estimate values.

It seems that this company is making a real legitimate mining effort. and is satisfied that it has a good body of ore. C. H. Hallenby, c/o Sanderson Pearcy, Toronto, is the president.

L. R. STEEL

J. A. B., Nova Scotia.—Would like information with respect to the prospects of the L. R. Steel Corporation and the outlook for the future of the common stock.

The last quotations we note on Steel stocks are as follows: Steel Realty, pref. $25; Steel Realty com. $10; Steel Stores, pref. $30; and Steel Stores com. $16. In addition there are evidently some voting trust common shares of both the Steel Realty and Steel Stores which are listed at $6. We take these quotations from a Denver company's list of oil and other speculative stocks. The shares are not listed on any of the recognized exchanges so far as we are aware.

We have frequently emphasized in the FINANCIAL POST that we could not recommend investment in the stocks of the Steel Company. The quotations given indicate that those who invested must be prepared to wait indefinitely at least for a profitable return. Dividends have not been paid since July, 1921, and the annual statement is of such a character as to indicate that only by making a large appreciation in the value of real estate has it been possible to show a profit. However, a number of stores have been opened in various cities and these seem to be efficiently operated. The company's difficulty from the standpoint of the investor is that evidently operations are not being conducted on a scale to return dividends on the large capitalization. Whether new stores can be opened business expanded and profits made on the capital the company now has, or on such additions of capital as required, seems very doubtful.

HAMILTON CAR

Reader, Blyth.—Would you give the history, dividend and market value of Hamilton Car preferred.

The Hamilton Car Company, Ltd. is the name adopted by the National Steel Car Co. Ltd., in April, 1921, in order to avoid confusion with its successor, the National Steel Car Corporation, Ltd. The plan of distribution to depositors by the committee was as follows: Each preference shareholder for each share of preference stock of the company deposited by him will be entitled to receive (a) one share of stock of National Steel Car Corporation, Ltd., plus (b) cash to the amount of his prorata share of the company's treasury cash, which will be distributed among holders of preference shares only, and (c) a proportionate interest in any further realization of assets of the company which may hereafter become available for distribution. $8 per share was paid December 27th, 1921.

Each ordinary shareholder for each share of ordinary stock of the company deposited by him will be entitled to receive one-fifth of a share of the stock of the National Steel Car Corporation.

Another statement in connection with the liquidation proposal and distribution to stockholders mentions among remaining assets 19,000 shares National Car Corporation, Ltd., capital stock and over $100,000 of cash. December 15, 1921, was final date for deposit of stock under the plan.

The original company, the National Steel Car Company, which was incorporated in July, 1912, made a contract in 1915 for the manufacture of a large order of cars for the Paris Lyons & Mediterranean Rly. Co. Unexpected conditions arising out of the war resulted in losses which amounted to more than its capital stock. A summary of the financial situation as of Sept. 30, 1919, showed accounts payable about three and a half million dollars less accounts receivable and inventory $1.880 000, leaving a deficiency of $1,600,000 against which stood payments from Paris, Lyons & Mediterranean Rly. Co., expected to total $450,000, and real estate, plant and machinery appraised at approximately $2 600,000. As security for its indebtedness the company made in 1916 a mortgage covering all its property and securing bonds totalling $3,000,000 which were pledged for the security of creditors, principal of which has become overdue. Shareholders on Nov. 14, 1919, voted to approve plan for sale of the property to Donald Symington of Baltimore, and Robert J. Magor, of New York, who agreed to organize a new company to take over the same. The contract made provision for the discharge of the entire debt of the old company and for its receiving 10,000 shares of the 100,000 shares of no par value of the new company. The new company paid into the treasury $1,250,000 of cash and was to receive one-half net profit realized upon liquidation of the company's claims arising out of the French contract after deducting reasonable costs of collection.

MOUNT ROYAL DEBENTURES

Several inquirers in reference to the 8% convertible debentures of the Mount Royal Hotel Co.

The first point which you should consider in connection with an investment in this security is that these bonds or debentures, as they are termed, are "convertible," not at the pleasure of the purchaser, as is ordinarily the case, but at the pleasure of the company. In other words, after June 30, 1923, which will be within the next six months, the hotel company "may" and hence will convert the bonds into 8% cumulative preferred stock. Indeed a definite announcement as to this has appeared in prospectus forms. Then they cease to be debentures or bonds, and change to a preferred stock issue. The only bonds in connection with the company would be an issue of $4,000,000 which was made prior to that of these debentures, the latter amounting to about $7,000,000 when the issue is all sold. You must regard the issue then as a preferred stock rather than a bond, and the price, naturally, of the preferred stock will be less than an 8% bond that could not be converted. It rather takes the character of what may be termed a business man's investment which one should not consider purchasing with a "trust" fund, as it holds in it a certain speculative element.

The question that you are asking as to whether this huge enterprise, involving an expenditure of about $11,000,000, has been made to pay, is one that is being asked by a good many investors and the general public at the present time. With 1,000 rooms available, the capitalization, taking in what will be preferred stock and the bonds originally issued, stands at about $11,000 a room. This probably is a high figure as hotels average, but it must be remembered, on the other hand, that this hotel has unusual earning features that are not common in most hotels, such as a large number of stores which are located on street frontages on whose sales the hotel secures a commission as well as an exacting rental for the space used; and many social features, such as convention halls and large banqueting rooms, which undoubtedly would provide a large volume of revenue denied most hotels. A point that must not be lost sight of in figuring earnings is the fact that Montreal is not a "dry" centre as is New York, and this fact, with the attractive facilities provided, will bring an additional revenue of large proportions. The hotel has started to run a week-end "special" from New York. and excellent business from this quarter is reported already.

What impresses us most, however, as to the paying possibilities of this huge hotel, is that the United Hotels Co. has taken charge of the management with an unbroken record of successes in the operation of hotels in Canada and in the United States. Those in touch with the management express confidence that after bond interest ends, preferred dividends will be commenced without any interval.

We regard a purchase of this security, with its bonus of common stock, as having bright speculative possibilities.

Tense Moments Marked Mortgage Discount Annual

Opposition Out in Force But R. T. Scott and Associates Downed on First Ballots, Indicating a Complete Defeat

The present officers of Mortgage, Discount and Finance scored a win in the first two rounds in the battle for support of the stockholders and this is taken to presage a complete victory when on the 19th the result of the ballot for the election of the 1923 directorate is announced. The first tests of strength came as a result of blockaging tactics of the opposition. They demanded a poll on the setting aside of $17,000 to pay the directors and officers of the company and also on the adoption of the financial statement. There was a majority in favor of both.

The meeting of the company was decidedly tense at times. R. T. Scott with a band of followers and other interests, with W. R. Sweeney as spokesman, were on hand. Scott's company sold the stock of the company and later turned against the directorate and officers. Mr. Scott launched some sensational charges in the campaign for proxies for the meeting. He launched others at the annual meeting. These were unconditionally denied but Mr. Scott himself was the only man to use the word "liar," which he applied to Mr. Griffin, the general manager of the company.

The opposition interests were fairly well organized for the meeting, otherwise they would not have been able to have made their presence felt as much as they did. Obstructionist tactics, however. soon grew tiresome and on several occasions as the meeting dragged out the shareholders showed in no uncertain terms just where their feelings and sympathies were.

The thunder of opposition lost some of its weight or impressiveness on the shareholders when, on two or three occasions, J. T. White or L. Monahan, directors and lawyers, pointed out that the company law arguments of the spokesman of the opposition might well apply to the U. S. law but did not apply to the Companies Act of Ontario. Some of these objections were in regard amendments to bylaws which were made by directors, but it was pointed out that the directors had such powers and that their action for the year past was binding whether the shareholders approved or not.

Salaries Question

The big play of the opposition was in trying to leave the impression that the present heads of the company were trying to increase salaries. In fact, the charge was made that Sir John Willison, president, was seeking a salary of $7,500. The shareholders were impressed with the fact that the directorate might violate the bylaw which stipulated that the salaries of officers and the directorate should not exceed 2 per cent. of the capital of the company. This amount would be $20,000. The directorate asked for a vote of $17,000 to meet these salaries. Sir John Willison emphatically denied any intention of seeking higher remuneration. He also took occasion to answer a few of Mr. Scott's charges, dealing especially with the statement that there was an effort to raise office and salary expense before paying a dividend on the common stock. Sir John said that no one desired more than he to give a share of the profits to the shareholders and no one would benefit more than the directorate by such a declaration. However, he pointed out the necessity of keeping the finances of the company in a strong and healthy condition and until this was achieved the directorate thought it wisdom to withhold any declaration.

Sir John pointed out that Mr. Scott made much capital out of the fact that he had not attended the meetings held throughout parts of the province, called by the latter. Sir John said he had been notified of but one meeting, the Sarnia one, and that notice reached him on the morning of the day of the meeting. Mr. Scott said he would take an affidavit that proper notices had been delivered, which brought the retort from the president that he did not know anyone who could take an affidavit more easily than Mr. Scott. There were other charges about trying to form subsidiary companies, trying to bleed the company, but they were treated with scant courtesy and little attention.

There was quite a little tilt when Sir John Willison announced that the proxies delivered to the office of the company some days before the meeting had been opened and scrutinized. Mr. Sweeney wanted to know by what right this was done. He was surprised and overwhelmed by such an admission. Mr. White reminded him that he should not have been as he had informed him of this action before the meeting. A. F. Heeley, Windsor, a director, said that the proxies were opened for examination to detect any forgeries. His announcement that forgeries had been found, in which he instanced the case of a Windsor man who had not signed a proxy but whose proxy was found, caused quite a stir. He intimated that some action might be taken.

Louis Monahan, one of the directors, announced that he would retire from the directorate this year. Sir David Watson, another director, died and so the bylaw was changed to provide for seven directors. The seven present members were nominated and the Scott and other interests backed seven others, several of whom, it was pointed out by one speaker, are directors of Credit Alliance Financial, an R. T. Scott company. The present directorate seeking re-election follows: Sir John Willison, Hon. F. Carroll, J. T. White, A. F. Healey, T. Agar, G. R. Griffin and Dr. St. Charles. The nominees of the opposition are Senator J. A. McDonald, Norman McEacheran, Lt.-Col. J. C. Cooper, J. A. C. Cameron, Hon. F. Carroll, R. Pinnell and Col. T. A. Duff.

The financial report shows that the company's net profit for the past year was $65,310.68. The net profits for the first year were $13,500.

The balance sheet shows that $275,630 remains unpaid on the subscribed stock. There are unearned discounts of $109,351 on second and third mortgages. During the year mortgage investments totalled $757,459.

The profit and loss account shows that after dividends on the preferred stock had been paid along with taxes there remained a balance of $29,859.34 to carry forward as compared with $3,240 in 1921.

Assurance that there would not be a coal miners' strike next spring was expressed by Frank Farrington, president of the Illinois Mine Workers, in a telegram to one of the sub-districts of the union.

INVESTMENT-SERVICE

The Harvest of the Years

SO, then, another year is come and we (that is, some of us) think back and look forward upon life and living and upon things spiritual and material.

OF things of the spirit it would be in poor taste to comment; but of material things, we may speak in the certain knowledge that a contented mind in money matters permits the indulgence of one's fancy in less mundane things.

HOW, then, may we ask, has 1922 prospered you in your investments, and to what goal do you aspire this year?

WE would win your confidence, if possible, so that you will make a part, if not all of your future investments through us.

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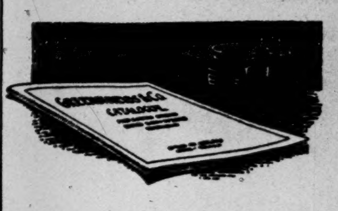

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CHANGES CONNECTIONS

C. T. Fillan, who has been vice-president and a director of the Sterling Bond Corporation, since its organization, has resigned to become vice-president of F. H. Manley and Co. of 120 St. James Street.

NEWS AND VIEWS ABOUT BONDS

DID ALBERTA LOSE OUT WHEN IT SOLD ISSUE PRIVATELY?

Generally Expected Public Tenders Would be Called For On Bonds

The often-mooted question of calling for public tenders on provincial and municipal bond issues came up again this week when Alberta sold by a private deal $4,800 000 of five per cent. twenty-five year bonds to Dillon, Read and Co. of New York. The action of the province was unexpected. It had been announced that public tenders would be asked. In fact, not until the bonds were offered to investors in New York was the sale widely known about in Canada. Until the issue was offered Canadian houses were planning to bid on January 23 for the bonds.

It is strongly felt that in this case Alberta lost out by not calling for public tenders. The issue was offered at 97¼ to the public and it is learned that other dealers were allowed 1½ points off this price in New York. This meant that the purchasers had at least 2 points margin, bringing the province's price down to 95¼. Adding a very generous ¾ per cent. to this for profit on exchange it may be assumed that the limit received by Alberta for its issue was 96 in Canada. This is approximately a 5.30 per cent. basis. Probably the actual cost was nearer 5.35 per cent. Yet a few days later Toronto in open bidding sold an issue of bonds, with an average maturity of 17½ years at a 5.24 per cent. basis and Winnipeg a few days before had sold 20 year bonds on a basis of 5.28 per cent.

What Should Price Have Been?

What should Alberta have received? An estimate would be only an opinion at best, but the province by calling for public tenders should have received at least an additional half a point and possibly a full point more. And a sum between $25,000 and $50,000 is important.

THE FINANCIAL POST has always taken the stand that the province or municipality that calls for public tenders for bond issues will in the long run receive higher average prices. In a very few cases private negotiation has been borrowers a slight advantage but these instances are isolated and where such a plan is followed out as a general rule for selling issues the advantages of single sales are often offset by the disadvantages of other deals. There is always, too, the point that the system of public tendering relieves treasurers and officials from any possibility of criticism. Ontario and Toronto, the largest borrowing province and the largest borrowing city in Canada, respectively, have established the inviolable rule of calling for public tenders and both have been conspicuous for selling their bonds on favorable terms, despite heavy financial problems.

S. W. Straus & Co. Manager Is Canadian Bond Man

S. W. Straus and Co., Canadian subsidiary of the large United States house of that name, opened an office in Toronto this week. The office will be both for buying and selling; the company will create bond issues chiefly real estate first mortgage bond issues, on Canadian buildings and also offer Canadian investors bonds on American and Canadian buildings.

The Canadian manager is W. R. Raine, who is well known in Canadian bond circles. He was for ten years with the Bank of Nova Scotia at Montreal, Toronto, Halifax and in the West. In 1916 he joined the staff of A. E. Ames and Co. and after five years with that firm went to New York where he was associated with Rutter and Co., and later with Blair and Co. before joining S. W. Straus and Co.

Sales manager in Canada will be Donald D. Dietzer, lately of the Buffalo office of Straus and Co.

Etobicoke Gets Over Par for 5½% Bonds

C. H. Burgess & Co. purchased $113,000 of 5½ per cent. 20 instalment bonds of Etobicoke township, paying 100.06 for the issue.

Tenders were:

C. H. Burgess & Co.	100.06
Nesbitt, Thomson & Co.	99.771
R. C. Matthews & Co.	99.67
Wood, Gundy & Co.	99.65
Bell, Gouinlock & Co.	99.59
Harris, Forbes & Co.	99.39
Gairdner, Clarke & Co.	99.37
Macneill, Graham & Co.	99.27
Municipal Bankers' Corp.	99.22
W. L. McKinnon & Co.	99.08
A. E. Ames & Co.	98.70
Mackay & Mackay	98.21
Dyment, Anderson & Co.	98.138

Stewart, Scully & Co. Buy Township School Bonds

Stewart, Scully and Co. have purchased a block of $175 000 of 5½ per cent. 30 instalment debentures of a group of township schools, in Espanola, Ont. The debentures are backed by the public schools of Merritt, Baldwin and Foster townships and the separate school of Merritt township and are guaranteed by the Province of Ontario.

Canadian Bonds Given Black Eye But Attacks Not Widely Supported

From Our Own Correspondent.

NEW YORK.—A great deal of indignation is being expressed by local Canadian bond and investment houses in regard to a statement just issued by the National Association of Mutual Savings Banks dealing with Canadian bonds. The statement, which is addressed to members of the association in all parts of the United States, expresses the opinion that Canadian bonds are not, in many cases, a desirable investment for American savings banks, on account of the high per capita debt of several of the Canadian provinces and the unsatisfactory nature of the protection the laws of these provinces afford the investor. The statement mentions British Columbia specifically. This province, it is pointed out, has a per capita debt of $94. North Dakota, the worst offender in this direction among the American states, has a per capita indebtedness of only $75. Most of the American states, according to the compiler, have a per capita debt well below $30.

"In addition the character of the Canadian laws is not such as to tend to protect the investor holding Canadian obligations to the same extent that the holder of the obligations of American states is protected. It is our impression that some provincial parliaments have the right to repeal enabling acts subsequent to tax levy, which will nullify the tax levy and thus tend to break down the reliance which the investor can place in the chief source of payment for both his principal and interest."

The statement goes on to point out that the Province of British Columbia has shown large uncollected taxes since the early part of the war and has therefore failed to keep up sinking funds. This is obviously a confusion between provincial and municipal finances.

Finally the writer of the statement expresses the opinion that the so-called contingent liabilities of the various Western Canadian provinces should be added to their indebtedness. He holds that the guarantee of the Dominion Government of railway bonds guaranteed by the provinces would only hold good in the event of a complete breakdown of the provincial financial structures. The provinces would have to be virtually bankrupt before the Dominion Government would take over its contingent liabilities. Here again the association is confused. It is the C. N. R. and the Dominion that would have to be bankrupt before the provinces would have to pay these bonds.

While indignant that such a statement as this should be given such wide circulation in the United States, local Canadian financial men do not believe that the opinions expressed are at all indicative of the opinion American investment brokers hold regarding Canadian provincial bonds. According to the United States Investor, in its current issue, there is a growing feeling among American investment bankers that the financial relations between Canada and the United States should be made closer.

Discussing the controversy between the Canadian bond men and the Mutual Savings Bank Association the journal, which has a wide circulation in the United States, says:

"The recent discussion between Canadian bond houses and officials representing the association of mutual savings banks, does indicate, of course the need of further conferences, for laying down the exact sort of rules, which savings banks should follow. Experience has shown that mutual savings banks would better be under more definite rules, than the life insurance companies can be safely permitted to follow. Nevertheless, the time has come when greater room for some of the Canadian provincial and municipal bonds should be made, among the legal investments of mutual savings banks. The earning power of the mutual savings banks can be increased by such a policy, and the safety of the deposits will not be one whit imperilled."

TORONTO BORROWS AT COST OF 5.24%

Toronto this week disposed of $10,053,000 of 5 per cent. serial bonds, of an average life of 17 years at 97.251. This is an exceptionally favorable price and means that the city pays about 5.24 per cent. for its money. The issue went to the States where it was offered on the following terms:

1923-1931	5.20%
1932-1942	5.15%
1943-1952	5.10%

The bids received were as follows:

A. E. Ames & Co., First National Bank, Kissel, Kinnecutt Co., Blair & Co. Inc., Redmond & Co., First Trust & Savings Bank, Coffin & Burr, Stacey & Braun, Eldridge & Co., Ogilvy & Austin, 97.251.

W. A. Mackenzie & Co., and R. A. Daly Co., 96.61.

National City Co., Harris, Forbes & Co., and Guaranty Co., 96.651.

Kerr, Fleming & Co., Lee, Higginson & Co., E. H. Rollins & Co., Spencer, Trask & Co., Bankers' Trust and Warner & Co., 96.30817.

A. Jarvis & Co., Brown Bros., White Weld & Co., First National Co. of Detroit, Cyrus Pierce & Co., Clark, Dodge & Co., Dominion Bank and Imperial Bank, 95.866.

Equitable Trust Co., W. R. Compton & Co., Halsey, Stuart & Co., Continental and Commercial National Bank, Chase Securities, Blythe, Witter & Co., Second Ward Securities Co., R. C. Matthews & Co., and McLeod, Young, Weir & Co., 95.752.

Dominion Securities Corp., Dillon, Read & Co., 95.643.

Wood, Gundy & Co., Kuhn, Loeb & Co., Kidder, Peabody & Co., Haligarten & Co., 95.537.

DEFEATING "GRAB" HELPED

When Toronto defeated the attempted grab, by Sir Adam Beck and his followers, of the city's waterfront for a radial railway entrance, it gave itself the best advertisement it has had in American financial markets for many years. A Canadian bond man who visited New York in connection with the arranging of a syndicate to bid on the issue found that United States investment houses had followed the campaign closely and were delighted when Toronto refused to be railroaded into a costly donation to a doubtful radial scheme. Toronto's credit took a jump as a result and the tangible benefit came when thirty-two United States financial houses took part in the bidding for this issue.

$750,000 BOND ISSUE DONNACONA PAPER CO.

From Our Own Correspondent.

MONTREAL.—The Donnacona Paper Co. is still another paper company to enter the lists for increased production of newsprint and is planning to add to its production of groundwood and the necessary paper machines so as to increase the output of newsprint paper to 60,000 tons per annum. This will mean doubling the present capacity from 100 to 200 tons per day and it is planned to complete construction by January 1, 1924. For the purpose of providing funds for this expansion an issue of 6 per cent. first (closed) mortgage sinking fund gold bonds to the amount of $750 000 has been underwritten by Royal Securities Corporation, and has been offered privately at par and accrued interest to yield 6 per cent.

The Donnacona Paper Co. is not a listed concern and its financial details are not as well known as those of the other leading pulp and paper companies of this country. The statement shows that the average annual net earnings available, for interest, depreciation, depletion and taxes for three years, 1919 to 1921, amounted to $1,128,310, or over six times the bond interest requirements. The estimate of the net earnings for the year ending December 31, 1922, on a similar basis is expected to be not less than $800 000. These earnings are likely to be considerably increased with the expansion of the company's output to 60 000 tons. The estimate of the property value is $6,785,338 against $2 955,500 of bonds outstanding. This issue of $750 000 is the balance of an authorized issue of $3 000 000 and when this is disposed of there will be outstanding that amount less the sum of $45 500 that has been redeemed by the sinking fund. The capitalization includes $1 796 000 of 7 per cent. cumulative preferred shares and $1,500,000 of common stock which pays 8 per cent. The net working capital as of November 30, 1922, without including the proceeds of this issue was $1 670 202. The company has hydro-electric development of a capacity of 6 000 horse power and freehold and leasehold timber lands situated adjacent to the Jacques Cartier and St. Lawrence Rivers of 595,440 acres, containing approximately 4,525,000 cords of spruce pulpwood.

BOND MOVEMENTS OF THE WEEK

Week Ending January 9

BONDS—	Int. Rate	Due Year	Yield	Range High	1921 Low	Range 1922. High	Low	Ask	Bid	High	Low
Bell Telephone	5	1925	5.40	98	94	99	97¾	—	98	99	97¾
Can. Bread	6	1941	6.36	99	88½	96	96	97	96	96	—
Can. Cement	6	1929	6.00	100½	94	101	100	—	100	101	100
Can. Car	6	1939	6.08	101	95	99¼	99¼	100	99⅛	99¼	—
Can. Cottons	5	1940	6.00	88½	82	89	89	89	—	89	—
Cons. Rubber	6	1946	5.96	100¾	88	100½	100½	—	99⅛	100½	—
Can. Locomotive	6	1951	6.22	100¼	97	98	97	99	97	98	97
Dom. Iron	5	1929	6.30	94	82½	92¾	92¾	—	92½	92¾	—
Dom. Textile (C)	6	1925	6.00	101	97¼	100½	100	—	99½	100½	100
Do., (D)	6	1925	6.00	100	98	100	100	—	99½	100	—
Lyall Cons.	6	1932	7.72	85	75	88½	88	88	—	88½	88
Montreal Trams	5	1941	5.95	93½	87½	90½	89¼	—	88¼	90½	89¼
Montreal, May	6	1923	5.30	104	99	100⅝	100⅝	—	100¼	100⅝	—
Do., Sept.	6	1923	6.25	102.	99	99¾	99¾	—	99⅞	99¾	—
Penmans	5	1926	6.12	94¾	90	96	93¾	—	95	96	93¾
Price	5	1940	5.90	90	85	90	89¼	—	90	90	89¼
Porto Rico	5	1936	6.78	83	73½	84	84	—	83	84	—
Quebec Rly.	5	1939	8.20	87¼	63½	72½	70	—	69	72½	70
Rio	5	1935	6.55	87¼	76	86½	86½	87	86½	86½	—
Sao Paulo	5	1929	6.96	91½	80	89¼	89¼	89¼	88½	89½	—
Steel of Can.	6	1931	6.12	100¾	97	99¼	99¼	100½	100	99¼	—
Wabasso	6	1947	7.00	94	89½	90¾	90¾	—	90½	90¾	—
Wayagamack	6	1951	7.48	88¾	71¾	83	82¼	82½	81¾	83	82¼
War Loan	5	1925	5.25	99.30	96.10	100.15	99.10	——	100.10	100.15	99.10
Do.	5	1931	5.01	99.90	96.25	100.25	99.80	——	100 00	100.25	99.80
Do.	5	1937	4.89	101.50	99.50	101.60	101.25	101.40	101.20	101.60	101.25
Victory Loan	5½	1923	4.72	100.70	98.75	100.80	100.45	100.85	100.75	100.80	100.45
Do.	5½	1924	5.15	100.75	98.00	101.40	100.25	100.75	100.65	101.40	100.25
Do.	5½	1927	5.02	102.70	99.75	102.40	101.75	102.25	102.00	102.40	101.75
Do.	5½	1933	4.95	104.35	101.25	106.70	104.40	104.40	104.20	106.70	104.40
Do.	5½	1934	5.31	101.45	98.80	102.25	101.30	102.00	101.90	102.25	101.30
Do.	5½	1937	4.87	106.25	103.30	106.90	106.35	106.70	106.45	106.90	106.35
Do. Renewal	5½	1927	5.52	101.10	99.40	101.10	101.00	——	101.75	101.10	101.00
Do., Renewal	5½	1932	5.30	101.10	99.70	102.00	101.00	101.90	101.70	102.00	101.00

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gives particulars of a wide range of City, Town, County and Township bonds. Maturities, rates of interest and denominations are varied to meet every requirement.
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Price: par and accrued interest.
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We invite your attention to the 7% First Mortgage Bonds of the Laidlaw Bale Tie Company, Limited. This Company does a highly profitable business in the manufacture of soft bessemer and high carbon steel wire, steel wire bale ties, steel barrel hoops, wire nails, etc.

Its products are distributed by hundreds of different firms throughout Canada and comprise for the most part a large variety of staple lines for which there is a constant and increasing demand. In addition, it does a steady and growing export trade to Great Britain, India, South America, Australia and New Zealand.

It has been established for over twenty years under the same management, and hasn't had a labor dispute in all that time. The business has grown from small beginnings to its present dimensions, which include buildings and plant, and factory site of over six acres.

Average annual earnings for the past seven years available for bond interest have been $81,375, as against $17,500 interest requirements on these bonds.

This is a closed first mortgage ranking ahead of $100,000 Preferred Stock, which has paid dividends continually since it was issued over ten years ago, and $300,000 Common Stock which has paid dividends periodically.

No part of the Company's earnings were derived from the manufacture of munitions or war materials, but entirely from the manufacture of the Company's usual and ordinary products.

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CIVIC AND PROVINCIAL FINANCE

MATURING ISSUES IN U. S. MARKET ARE $38,500,000

Of This Over $12,000,000 Is On Account of Provinces

From Our Own Correspondent.

NEW YORK.—Canadian maturities in the United States will total $38,588,500 in 1923, according to an estimate made by your correspondent.

By months the maturities are as follows:

January	$ 2,710,000
February	535,000
March	275,000
April	1,980,000
May	3,682,000
June	3,824,000
July	16,401,500
August	191,000
September	200,000
October..	4,130,000
November	604,000
December	4,058,000

June total does not include £1,500,000 Canadian Northern Railway five per cent. land mortgage debenture issue. With sterling at about $4.60 the inclusion of this maturity in the total makes the total maturities for the year $45,488,500.

Of this total $12,100,000 represents provincial maturities. Ontario must meet maturities of $4,000,000, Manitoba of $1,500,000, and Alberta of $6,600,000.

As the Dominion Government will be called upon to provide over $10,000,000 for National Railway maturities, local comment indicates at least that amount of refunding in this market during the coming year.

Bank President Warns Against Creating Debts

At the annual meeting of the Bank of Toronto, the president, W. G. Gooderham, said that the steadily increasing indebtedness of the country created a serious situation and the heavy taxation necessary to provide the interest on this debt was directly or indirectly borne by every member of the community. Reviewing the figures of the debt, the total for the Dominion, he pointed out, now stood at $2,391,000,000 and had increased since November 1, 1921, to November 1, 1922, by $42,000,000, in spite of the fact that super-taxation was bringing in revenue at the rate of $35,000,000 per month, or $400,000,000 per annum. The total debt, Federal, Provincial and municipal, is estimated at $4,000,000,000, the interest on which represents a payment of $100 per capita, or an equivalent of $500 per family.

Continuing, he said:

"We would like to repeat the serious and weighty warnings that have been published lately, in which it has been pointed out that in the last eight years the debt of the Dominion has increased eight times, the Provincial Government's debt has doubled, and the municipal indebtedness has ranged from two to three times the former amounts, and all this increase in indebtedness has taken place with practically no increase in population. The overhead charges on this vast amount of indebtedness place a heavy burden on all business, lessen profits and eat up the margin between cost of production and market value, and the fact that no member of the community can escape from bearing a share of this burden should be impressed upon our people, as they are indirectly, if not directly, being made to bear a heavier burden than ever before.

"There is imperative need of the closest scrutiny of all projects involving an increase of indebtedness on the part of municipalities, Provincial or Dominion Governments. There is always the plea that expenditure of money helps to benefit temporarily the public, but we have had experience in the past that this slight benefit can be too dearly purchased."

Brought $200,000,000 From Outside to Canada

From Our Own Correspondent.

MONTREAL.—After operations of barely four years in Canada the National City Company are able to announce that they have distributed throughout the world over $200,000,000 of Canadian created securities. It was for this purpose that offices were opened in Canada. The sale of these securities represents just that amount of outside money that has been brought into this ocuntry. This total, large as it is, representing $50,000,000 a year, does not include participation by the National City Company in syndicate selling, but represents the individual efforts of the organization. Among the securities distributed was a sum of $27,000,000 of 4 per cent. coupon consolidated debenture stock, perpetual and non-callable, of the Canadian Pacific Railway Co., negotiated through the Montreal office of the Company. Word has been received that Montreal occupies third place in a world-wide competition in salesmanship.

The Canadian Pacific Railway reports earnings for the first week of January amounting to $2,968,000, an increase of $542,000 or 22.34 per cent. over the figures for the corresponding period in 1922.

Standardize Provincial Accounts

Canada lacks adequate statistics concerning provincial finance. The nine provinces publish rather voluminous statements of public accounts, but from these accounts it is difficult, if possible at all, to make intelligent inter-provincial comparisons. As a case in point, expenditures on provincial agricultural colleges might be mentioned. One province will charge such expenditure to education; another to agriculture; a third to public works; a fourth will divide the expenditure between various departments. The internal problem that the province itself does not know how much it is spending on education and how much on agriculture is a small one beside the fact that the all-important necessity of being able to make comparisons between provinces to the end of establishing standards to work from is thwarted.

Tax-payers, economic writers, investors and financial houses have a right to adequate information, intelligently presented, and with timeliness. Undoubtedly in the case of the provinces they have a right to demand that the provinces themselves should supply that information. And with only nine Canadian provinces it should be a simple matter to work out a system of accounting and reporting that could be efficiently applied in Prince Edward Island as well as in British Columbia and a method of making public reports on the accounts that would make comparisons between Prince Edward Island and British Columbia an easier matter than it is at present.

It would then be possible for a central body, such as the Dominion Bureau of Statistics, to make cross-analysis of the figures presented and to record them together for future use.

The machinery for such centralization of provincial statistics already exists. The Dominion statistician, R. H. Coats, has already compiled very voluminous figures concerning provincial finances for the past five years but these have never been published owing it is believed to the lack of an appropriation sufficient to cover the expense. In getting the figures together the bureau of statistics ran into many thorny problems similar to the exasperating one mentioned in the first paragraph. Eventually it was necessary to set up a rather ideal system of public accounts and to then allocate each individual expenditure to its proper place in making comparisons between the provinces. In other words the bureau had to re-write the public accounts of each of the provinces to make them all conform to a standard.

Undoubtedly it would be possible to set up such a standard system and in the course of time get each provincial treasury department to follow it out. Such a system could be developed at a federal conference of provincial treasurers, or their deputies and to which could also be invited representative chartered accountants, representatives of the Bond Dealers Association, of the Dominion Mortgage Investments Association; of the life insurance presidents and other bodies that include bond dealers or bond buyers. This would be a step towards putting Canada's financial records in better shape.

War Cost Canada More Than Total Cost of Most Wars

And it Was Chiefly Responsible for the Creation of a Tremendous National Debt—Actual Money Payments by Dominion Government Have Totalled Over Two Billions Already

Any discussion of Canada's national debt is closely linked with an understanding of the cost of the war. Of the present debt $2,400,000,000, close to three-fourths or $1,800,000,000 was incurred as a result of the war and unfortunately the war left no assets to be set off against this debt.

The last war was beyond all doubt the costliest war, measured in dollars and cents, in all history. In actual money the war cost about $225,000,000,000, a sum that defies conception. Compare this figure with the cost of some previous wars and the latter sink into puny insignificance. The wars between England and France from 1793 to 1815 cost these two nations $6,250,000,000. The American civil war from 1861-1865 cost a total of $5,000,000,000. The Franco-Prussian war cost $2,534,000,000. In fact, all the wars of the world from 1793 to 1813 cost but twenty-five billions.

It was an expensive war in many ways. In human life its cost was remarkable.

The known dead numbered 9,998,771; probably the actual figure should be higher. All the wars from 1793 to 1913 took but five million lives.

Canada's Share of Cost

Canada's share of the expense of the war has already reached a tremendous figure and is daily growing as we pay out interest on war loans. To March 31, 1922, R. H. Coats, Dominion statistician, figures the cost at $5,200,000,000. This is on the following basis:

War and demobilization expenditure	$1,688,948,035
Interest to date due to war	460,564,369
Pensions to date	129,860,611
Soldiers Civil re-establishment to date	98,224,544
Land settlement	15,000,000
Direct monetary costs ...	$2,389,597,559
Add to this:	
Loss of life	300,000,000
Impairment of earning power of wounded	200,000,000
Increased death rate among civilians	200,000,000
Stoppage of immigration	2,200,000,000

Even deducting the indirect losses mentioned above, the direct monetary cost to Canada of the war was greatter than the total cost of any war in history with but three or four exceptions.

WHAT WAR COST CANADA

Actual monetary outlay by Dominion government to March 31 last.....	$2,389,597,559
Other losses to the nation not represented by actual cash payments ...	2,900,000,000
Total to March 31, 1922	$5,289,597,559

Not all of the cost of the war though was paid from revenues derived through the creation of debt. Canada bore heavy taxes during the war. War taxes to the end of 1920 had produced $183,658,287. In 1921 and 1922 the various taxes created during the war and after brought in almost as much again in each year.

For its war debt Canada makes no excuses. Concerning that portion of its debt that was incurred in railway deficits the country feels a bit worried.

This is the fourth of a series of articles on Canada's national debt. The fifth will appear in an early issue. Readers are invited to send in, confidentially or for publication over their name, their views on Canada's national debt problem.

Must Cut Expenditure Says Sir Herbert Holt

Sir Herbert Holt at the annual meeting of the Royal Bank said: "An abundance of money in the United States has rendered borrowing easy during the past year. Of capital for enterprises which becomes immediately and pofitably productive, we cannot have too much, but there is imperative need for a cessation of Federal, Provincial and Municipal borrowing for purposes which bring in no adequate return. If Canada is to become a cheaper place in which to live, public expenditure must be adjusted to meet income."

Gross earnings of the Canadian National Railways for the first week of January, amounted to $2,207,922, as compared with $1,874,215 for the corresponding period in 1921, an increase of $333,705.

Tenders and By-Laws

TENDERS WANTED

Jan. 18, Montreal South, Que.—$20,000, 5½% debentures maturing May 1, 1932. M. M. Condon, Town Clerk.

Jan. 15, Lachine.—$225,000, 5½%, 10-year Protestant School Board bonds. S. G. Grimston, Sec.-Treas.

Jan. 16, Saskatchewan.—$92,000, 5 or 5½%, 30-year drainage district bonds, payable in Canada or New York.

Jan. 23, Woodbridge.—$40,000, 5½%, 30-year debentures. Ed. W. Brown, Village Clerk. (See announcement elsewhere in this issue).

Brampton.—At a recent meeting of the council a by-law was passed authorizing the borrowing of $100,000 from the Union Bank to meet the ordinary current expenditures.

SASKATCHEWAN

List of authorizations granted by the Local Government Board, from December 16 to December 30, 1922:

Schools—Turkey Track $500; Willow Flats, $1650.

Telephones—Leslie, $1,600; Instow, $7,700; McLaren $13,000; Fillmore, $3,200; S. Prince Albert, $2,000; Crown, $1,400; Alsask, $500; Star City, $2,600; Town of Wadena, $1,000.

List of debentures reported sold from December 16 to December 30, 1922:

Schools—Lemsford, No. 2856, $3,000, 10 years, 8%, Geo. Moorhouse, Regina; Lawvan, No. 3510, $4,000, 10 years, 7%, Waterman Waterbury Co., Regina; Westport, No. 4411, $3,000, 15 years, 7½%, North American Lumber Co., Wadena; Patrick, No. 2913, $1,500, 10 years, 7½%, C. C. Cross & Co., Regina; Fishponds, No. 1270, $6,000, 15 years, 7¾%, C. C. Cross & Co., Regina; Bannerman, No. 4387, $2,500, 15 years, 8%, Felix Kozachuk, Fife Lake.

Telephones—Alpha, $3,500, 15 years, 7½%, J. Burnett & Co., Regina; Ituna, $750, 15 years, 8%, C. C. Cross & Co., Regina; Fillmore, $3,200, 15 years, 7½% C. C. Cross & Co., Regina; Oakroll, $750, 15 years, 8%, C. C. Cross & Co., Regina.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to—	Rate	Term	Amount	Price	Basis
Jan. 9	—Toronto, Ont.	A. E. Ames & Co., Syndicate	5%	17½ av.	$10,053,000	97.251	5.24
Jan. 10	—Etobicoke, Tp., Ont.	C. H. Burgess & Co.	5½%	20 in.	113,000	100.06	5.49
Jan. 6	—Winnipeg. Man.	A. E. Ames & Co., Syndicate	5%	20 yrs.	1,300,000	96.959	5.28
Jan. 2	—Lindsay, Ont.	Locally	5½%	30 in.	64,500		
Jan. 2	—Midland, Ont.		5½%	15 & 30	81,000		
Jan. 2	—Sask. Schools and Phones ...				30,200		
		CORPORATION				Offered at	
Jan. 8	—Globe Realty Corp.	Metropolitan Life			6,000,000		
Jan. 8	—Donnaconna Paper	Royal Securities Corp.	6%		750,000	par	6%
		PROVINCIAL					
Jan. 8	—Alberta	Dillon, Read & Co.	5%	25 yrs.	4,300,000		

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5½% to 8%
Now is the time to make your selections.
HOUSSER WOOD & COMPANY
INVESTMENT BANKERS
10-12 King St. East, TORONTO.

Government and Municipal Bonds
Send for our list of investments.
McKAY-McKAY BONDS.
C.P.R. BUILDING TORONTO

We Own and Offer
8% Convertible Debentures
MOUNT ROYAL HOTEL
Company, Limited
Dated Sept. 1, 1921. Interest payable in New York, Montreal and Toronto.
Denominations
$100, $500, $1000
PRICE: Par and Accrued Interest to yield 8%, with a bonus of 30% Common Stock.
Full particulars on request
CREDIT-CANADA
LIMITEE
145 St. James St., Montreal
Main 4735-6

We own and offer
$50,000.
William Davies Company, Inc.
6%
First Mortgage 20 year Sinking Fund Gold Bonds Due November 1st, 1922.
Principal and Interest payable at Montreal, Toronto and Cleveland.
Price to yield over 6.09%
Circular on request.
Geo. Beausoleil & Co.
Investment Bankers.
112 St. James Street, Montreal

Dome Mines
Coniagas
Continental
Keeley Silver
Hollinger
McIntyre
Wright-Hargreaves
Crown Reserve
Cons. West Dome
Clifton
Vipond Cons.
Porc. Crown
Paymaster
Interesting information concerning all of these companies is contained in the current issue of
Gibson's Fortnightly Mining Review
If your name is not on our mailing list, write for your copy to-day. Free for the asking.
Homer L. Gibson & Co.
Bank of Hamilton Bldg.
TORONTO

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion

Assurance in Force - $550,000,000
Assets - - - $130,000,000

Sun Life Assurance Company of Canada
Head Office - - Montreal

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$74,000,000.00
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

LIFE INSURANCE FOR MEN OF AFFAIRS
Estates of any considerable value are subject to heavy death duties: Life insurance is the simplest method of providing for their payment. Have you set aside a policy to meet succession dues?
Business partners whose experience is vital to the organization require mutual life insurance protection. A heavy expense would be involved in replacing the ability of a deceased partner. Has your firm considered this?
Endowment policies can be secured to provide funds for meeting an obligation such as a mortgage loan, to mature at the end of a certain period. The premiums provide the necessary "sinking fund." Had you thought of this?
Policies can be secured that will pay monthly allowances to faithful employees whom you wish to remember and who you desire may remember you. Modern insurance is adaptable to every need.
Insurance sold on all approved plans at net cost.
The Mutual Life Assurance Company of Canada. Waterloo, Ont.

A BRITISH COMPANY
UNION INSURANCE SOCIETY OF CANTON
LIMITED
ESTABLISHED 1835
Fire - Automobile - Marine Insurance
TOTAL ASSETS OVER $40,000,000.00.
Head Office for Canada - 36 Toronto St., Toronto
C. R. DRAYTON, Manager for Canada

A Canadian Company Transacting Fire Insurance Exclusively
THE NORTH EMPIRE
FIRE INSURANCE COMPANY
Head Office: Winnipeg
Eastern Canada Office: Toronto
Policies Guaranteed by
London Guarantee and Accident Co.
Limited
Applications for Agencies Invited

YOU REAP WHAT YOU SOW
This saying is as true of money as of anything else. For example: $10 sown each month in a Canada Permanent Savings Account, and watered each half year with compound interest, will produce a harvest of $1,436.57 at the end of ten years.
Why not commence sowing the seed to-day by opening an account? This institution has been doing business in Toronto for more than sixty-seven years and has safe-guarded and helped to increase the savings of many thousands of people, whose confidence it has had for this long period.
Canada Permanent Mortgage Corporation
14-18 TORONTO STREET, TORONTO
Paid-up Capital $7,000,000. Reserve Fund, (earned), $7,000,000
Investments Exceed $40,000,000

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,212,725
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE, WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
VANCOUVER AND VICTORIA

5½% Interest Return
INVEST YOUR SAVINGS
in a 5½ DEBENTURE of
The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton
Vancouver Victoria Edinburgh, Scotland

INSURANCE FOR BUYER AND SELLER

HIGHER RATES ARE CHARGED ON ALL TRUCK INSURANCE

Heavy Vehicles Cause Most Damage and Face Heavier Claims

Statistics compiled in the United States show that commercial auto trucks kill more people than do pleasure cars. Such statistics are not available in Canada, but the premium charges for similar insurance in Canada show that the rate on commercial cars is many times greater than those applying to pleasure cars.

The reason advanced for this condition is that the heavier car is liable to cause a greater damage and loss of life in an accident than is a pleasure car. It is also noticed that the heavier and more valuable the truck the higher the premium. This is due to three reasons. If the truck is a Packard and it figures in an accident, the claim under the collision clause of the policy will be greater than if it were a Ford truck. The claim under the public liability clause will likely be greater because of the heavier truck. The claim under the property damage clause will likely be greater as it is generally the experience that if a man can afford to own a Packard he is called upon to face a much greater claim than would be the case with a cheaper truck. Incidentally the Packard owner will pay about $20 more for the same amount of insurance as a Ford.

Canadian automobile underwriters, who number 70 or 80, have an association which compiles statistics filed with the association by its members. These statistics include the total premium received and the total claims paid. For instance, at the end of 1922 business these figures will be totalled and the ratio of the loss compared with the premiums paid. If there was an increase in loss to the companies as compared with the year previous the rate would be raised. The new rates have not as yet been announced.

Some interesting arguments are advanced by one insurance agent as to why truck owners should carry heavy policies on their trucks. They are worthy of weighty consideration and are as follows:

Accidents are frequent, and awards for personal injuries and damage to property are high.

Motor trucks are usually owned by business interests. Juries are likely to be much more liberal when determining the amount of the damage award if the defendent is a wealthy man or business house or corporation.

A business firm has property which can be attached or sold to satisfy a judgment. Consequently if a damage judgment is rendered, a business house must either pay up or be sold out.

Motor trucks are usually driven by persons other than the owner. Operating motor trucks without public liability and property damage insurance is entrusting thousands of dollars of the company's money to the luck or skill of each individual driver.

A good business man leaves nothing to chance. He wants at least an estimate of the cost of operation of his motor truck fleet for the coming year. Unless he carries adequate insurance protection he cannot estimate within $50,000 of what this cost will be. One or two heavy damage awards may easily make his truck fleet a liability instead of an asset to his business.

There are three phases to auto insurance as given above. The collision clause is the most hazardous and companies refuse to issue a policy covering this one phase though they will take a policy on public liability or property damage or both. For the reason that a truck is heavier than a private car and is likely to injure or kill a larger number of people, (an automobile truck was responsible for a recent railway accident in which 12 persons were killed and 37 injured) and that juries are likely to render heavy damage awards against business concerns, high limits (that is, policies paying more than the minimum limits up to $5,000 to one person as the result of any one accident, and up to $10,000 to two or more persons as the result of any one accident) are even more essential than in the case of the private and pleasure car.

ONTARIO EQUITABLE BUSINESS JUMPED

Amount of Insurance in Force Nearly Double That at End of 1921

The third annual statement of the Ontario Equitable Life and Accident Insurance Company shows that the company has continued its rapid march forward. It shows $13,207,339 of insurance in force as compared with $7,007,186 in 1921. The assets total $450,542, the major portion of which is bonds and debentures of a value of $261,140, they having an excess market value of $9,256 over the purchase prices. Last year's figures were, assets, $268,047 of which $202,047 were bonds. The surplus security to policy holders including paid up capital of $102,000 amounts to $182,094 as compared with $180,383 for last year.

Death claims for the year totalled $26,286 as compared with $6,500. The big item in disbursements for the year was agency expense, commissions etc, totalling $139,322; Re-insurance ranked next, $58,364 and general expense $32,000. The balance of the net ledger assets is given as $217,342 as compared with $107,715 last year.

North Empire Fire Has Moved Its Head Office

The head office of the North Empire Fire Insurance Co. has been transferred from Winnipeg, Man., to Toronto, with offices in the London Guarantee Building, Richmond St. W. The policies of this company are guaranteed by the London Guarantee and Accident. The reason advanced for the transfer is that it will enable the company to give closer attention to its affairs and, if possible, better service. Davidson and Smith have been appointed chief representatives for Toronto.

CLAIMS OF NATIONAL LIFE MUCH LOWER

Paid Out Less Than Half Million as Compared With $1,395,000 in 1921

The National Life Assurance Co. wrote $7,444,313 in 1922 and concluded the year with $37,128,662 insurance in force. The company had an excellent year, death claims and maturing policies, etc., totalling only $499,452, as compared with $1,395,616 last year, almost a two-third reduction. Since its organization the National has paid $3,626,680. The new business for the year was slightly below the 1921 achievement of $7,475,724 which started off the year 1922 with $34,503,479 in force as compared with $30,806,390 on Jan. 1, 1921. The premium income at the end of 1922 was $1,284,310. For the year the revenue from premiums, interest, rents, etc., totalled $1,654,530, an increase of $130,516, while the total cost income was $1,477,486, an increase of $81,869. The net surplus increase for the year including dividends, is given as $148,875. Dividends totalled $25,000. The total surplus over liabilities, including the paid up capital of $250,000 is $611,274, an increase of $83,003.

The investments of the company are almost entirely invested in government and municipal bonds. The bonds of a par value of $4,543,539 have a book value of $4,252,981, and the interest return on investments is 6.10 per cent., the same as in 1921. The total reserves figure at $5,196,731, an increase of $414,964 and the total assets are given at $6,150,895 or $430,591 over 1921. The uncalled capital is $6,900,895. The policy loans of the company increased from $634,926 in 1921, to $776,955.

CANADA LIFE HAS COMPLETED 75 YEARS

Great Gathering of Officers and Leading Representatives to Mark the Occasion

The Canada Life has completed its 75th year in the insurance business in Canada. This fact gave added significance to the annual meeting of the company which was held yesterday. The formal event which marked the anniversary was a dinner given by Mr. Herbert Cox in the King Edward Hotel last night. It was attended by leading officers of the company and their leading representatives throughout the country. Mr. Cox and Canon Cody were the principal speakers on the occasion.

"Welcome to Home Office 1847-1923" is the large poster which greets the members of the Hundred Thousand and other clubs of the Canada Life as they arrived at the home offfce to participate in the festivities of the week. There is a great programme of an informal nature being carried out, consisting of theatre parties and other forms of entertainment. Representatives are here from all over the Dominion, including 127 of the most successful sellers of the company's policies. There are two clubs, the quarter million and those who write $125,000 and $250,000. There are 47 of the former and 80 of the latter now in Toronto.

Each of the Canada Life Clubs has a president, who is the person who has produced the largest amount of business during the year. The president of the larger club is C. C. Hershon, of Montreal, who produced more than $600,000 worth of business last year. Each club also has three vice-presidents, representing Western, Central and Eastern Canada, and the United States.

For the first time in the meeting of Canada Life Clubs' representatives—four in number—are present from Great Britain.

May be Reciprocity in Lumber Duties

From Our Own Correspondent.

NEW YORK.—Negotiations have been opened through the State Department at Washington looking toward a removal of the present Canadian duty on certain kinds of lumber imported from the United States. These negotiations are based upon the fact that the Fordney McCumber Tariff authorizes the president to impose a duty on the products entering the United States from countries which impose a duty on similar products coming from the United States. It is understood here that while the administration has not as yet made any decision in this matter insofar as the imposition of a duty on Canadian lumber is concerned, it is anxious to ascertain the feelings of Ottawa before taking such a step.

BETTER BUSINESS SHOWN BY REPORT OF IMPERIAL LIFE

New Business Shows Revival After Severe Drop of 1921

The revival of business is well reflected in the report of the Imperial Life Assurance Company for 1922 which shows a general all-round increase in business and profits. The report might be termed an excellent one. The business of the company reached a peak in 1920 when $31,000,000 new assurances were written or revived. Then came the break last year which carried the total down to $23,000,000. This year the revival brought the total up again close to $25,000,000. The total insurance of the company was increased by $11,057,000 by the year's operations making the high total of $140,025,954 of insurance in force. This has increased from $116,201,000 in 1920 and $128,968,000 in 1921. Perhaps the best evidence of the strong turn of recent years to life insurance is evidenced by the fact that in 1918 the company's total insurance in force was $72,741,000, having practically doubled since then.

Cash income also shows a material gain, both in premium and interest income. The figures are as follows:

Cash Income

	1920	1921	1922
Premium	$3,983,735	$4,429,289	$4,874,945
Interest	990,066	1,059,293	1,247,392
Total	$4,973,801	$5,488,583	$6,122,338

The report makes the statement that the mortality rate has been exceptionably favorable this year, although the percentage is not given. The benefits disbursed, however, total $2,049,324, being $443,713 in excess of 1921.

The assets of the company have increased $2,848,732 to $24,928,718, the gain being the greatest in any individual year in the company's history. The average interest rate of the company's investments was 6.26%, a decline from 6.32% but the bond and debenture holdings of the company were increased by 5% to 55% and of the total there is now $5,425,000 in Government bonds.

In addition to regular reserves there are special contingency reserves of $408,894 and $30,000 for unreported claims, the total reserves reaching $20,897,214 and excess over 1921 of $2,386,159. The surplus for the year amounted to $1,081,367 as compared with $931,217 in 1921. The payment to policy holders increased to $500,833 from $359,807 while the increase of the policy holders net surplus fund reached $122,023 as compared with $164,474 last year leaving the present total of $2,402,355 as compared with $2,280,332 last year.

The Western Empire
LIFE ASSURANCE COMPANY
Head Office; 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices;
Saskatoon Calgary Vancouver
WILLIAM SMITH,
Managing Director.

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses Paid Since Organization
$64,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over $52,000,000.00

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

DIAMONDS
Be sure and see our Stock of Diamonds. We guarantee to save you money.
JACOBS BROS.,
15 Toronto Arcade

The Building Total for Last Year Increased Twenty-Nine Millions

Canada's building total in 1922 was $28,929,000 greater than in 1921, according to complete returns compiled by THE FINANCIAL POST and given below. The major portion of the increase was made by Eastern centres, 28 cities showing an increase of $20,472,000 in the East while 17 Western cities showed an increase of $8,456,000. There were few decreases in the East, but in the West the odd one gave the majority to the decrease.

The total for 12 months was $131,336,941 as compared with $102,407,823 in 1921. December in both East and West showed a material gain.

The figures:

BUILDING PERMITS ISSUED DURING DECEMBER

Eastern Cities

	Dec., 1922	Dec., 1921	Change	12 Months 1922	12 Months 1921	Change in year
Maritimes—						
Halifax	$ 34,950	$ 33,200	+$ 1,750	$ 1,752,632	$ 2,192,829	—$ 440,197
Moncton	17,430	9,300	+ 8,130	1,037,941	699,520	+ 338,421
St. John	10,000	12,500	— 2,500	707,100	597,000	+ 110,100
Sydney	65,550	13,685	+ 51,865	604,847	556,813	+ 48,034
Quebec—						
Montreal	2,011,490	578,803	+ 1,432,687	21,132,136	21,405,138	— 273,002
Quebec	1,194,755	500,821	+ 693,934	5,397,566	3,693,397	+ 1,704,169
Sherbrooke	7,000	30,000	— 23,000	732,000	649,650	+ 82,350
Westmount	56,742	37,650	+ 19,092	1,770,032	1,576,293	+ 193,739
Ontario—						
Brantford	9,410	57,930	— 48,520	465,420	404,445	+ 60,975
Fort William	6,200	1,025	+ 5,175	1,446,685	913,050	+ 533,635
Galt	320,887	7,135	+ 313,752	730,706	501,771	+ 228,935
Guelph	24,800	13,100	+ 11,700	964,808	433,257	+ 531,551
Hamilton	169,060	139,400	+ 29,660	4,928,465	4,639,450	+ 289,015
Kingston	4,660	114,780	— 110,120	701,495	668,334	+ 33,161
Kitchener	46,070	16,760	+ 29,310	2,461,721	932,050	+ 1,529,671
London	134,300	87,930	+ 46,370	2,605,630	2,527,510	+ 78,120
Ottawa	165,000	33,690	+ 131,310	5,054,687	2,687,238	+ 2,367,449
Peterborough	1,825	122,210	— 120,385	439,154	541,754	— 102,600
Port Arthur	151,730	621	+ 151,109	1,167,529	113,509	+ 1,054,020
Sarnia	50,275	44,540	+ 5,735	880,260	1,331,337	— 451,077
Sault Ste. Marie	1,775	3,500	— 1,725	588,813	896,920	— 308,107
St. Catharines	16,200	71,137	— 54,937	1,293,576	776,360	+ 517,216
St. Thomas	6,075	5,850	+ 225	210,714	115,755	+ 94,959
Stratford	11,025	4,045	+ 6,980	730,337	276,089	+ 454,248
Toronto	1,841,885	2,100,490	— 258,605	35,237,921	23,878,240	+ 11,359,681
Welland	41,700	9,175	+ 32,525	362,371	435,735	— 73,364
Windsor	121,035	148,175	— 27,140	4,144,035	5,123,150	— 979,115
Woodstock	20,147	3,420	+ 16,727	242,965	114,593	+ 128,372
York Twp.	372,500	311,150	+ 61,350	11,167,750	8,101,100	+ 3,066,650
Total 28 E. Cities	$6,914,476	$4,512,022	+$2,402,454	$108,959,296	$ 86,782,287	+$21,177,009

Western Cities

	Dec., 1922	Dec., 1921	Change	12 Months 1922	12 Months 1921	Change in year
Manitoba—						
Brandon	$	$ 1,000	—$ 1,000	$ 225,026	$ 741,190	—$ 516,164
St. Boniface	4,250	3,830	+ 420	552,663	380,143	+ 172,520
Winnipeg	37,350	99,250	— 61,900	6,875,750	5,580,400	+ 1,395,350
Alberta—						
Calgary	1,294,700	176,000	+ 1,118,700	3,102,700	2,298,800	+ 803,900
Edmonton	123,000	4,000	+ 119,000	2,338,109	1,563,696	+ 774,413
Lethbridge	100	44,275	— 44,175	213,695	217,760	— 4,065
Medicine Hat	25,000	400	+ 24,600	38,700	90,190	— 51,490
Saskatchewan—						
Moose Jaw	6,300	1,235	+ 5,065	379,180	500,177	— 120,997
Regina	13,070	14,175	— 1,105	1,784,124	2,160,030	— 375,906
Saskatoon	21,150	8,770	+ 12,380	1,818,909	774,660	+ 1,044,249
Yorkton	1,500	1,780	— 280	136,575	191,075	— 54,500
Weyburn	......	1,000	— 1,000	48,985	102,530	— 53,545
British Columbia—						
Kamloops	4,400	......	+ 4,400	145,415	337,820	— 192,405
New Westm'r	72,600	26,000	+ 46,600	332,700	264,890	+ 67,810
Vancouver	57,510	102,139	— 44,629	8,661,695	3,045,132	+ 5,616,563
Victoria	32,000	190,484	— 158,484	1,033,004	977,167	+ 55,837
Nanaimo	1,275	2,545	— 1,270	85,981	93,273	— 7,292
Total 17 W. Cities	$1,694,205	$ 676,883	+$1,017,322	$ 27,775,211	$ 19,318,933	+$ 8,456,278
Grand Total 45 Cities	$8,608,681	$5,188,905	+$3,419,776	$136,734,507	$106,111,220	+$30,623,287

Wayagamack Pulp & Paper Company, Limited

DIRECTORS

C. R. WHITEHEAD, President and General Manager.
JAMES W. PYKE, Vice-President.
HUGH MACKAY, K.C. G. H. DUGGAN
ALEX. MACLAREN SIR WILLIAM PRICE
NORMAN J. DAWES.

TENTH ANNUAL REPORT

To the Shareholders:

Three Rivers, P.Q., December 21st, 1922.

Your Directors submit the Tenth Annual Report of the Company, together with Balance Sheet as at the 30th November, 1922, and Profit and Loss Account for the year ended that date.

In view of the disturbed financial conditions of the world, your Directors felt that it would be some time before their export markets would give a normal return, and accordingly operated your plant with the strictest economy. It should be satisfactory to the Shareholders to know that the year's operations show a profit of $372,030.23, which was sufficient to pay the Bond Interest and provide for the greater part of the usual reserves for depreciation, depletion, etc.

Your Directors desire to record their appreciation of the faithful and efficient services rendered by the officers, staff and employees of all departments throughout a strenuous period.

The Accounts have been audited by Messrs. Riddell, Stead, Graham & Hutchison, and their report is appended hereto.

Submitted on behalf of the Directors.

C. R. WHITEHEAD,
President.

BALANCE SHEET AS AT 30th NOVEMBER, 1922

ASSETS.

CURRENT ASSETS:			
Cash on Hand and in Bank		$ 69,733.33	
Accounts and Bills Receivable: Less Reserve for Bad and Doubtful Debts		856,901.80	
INVENTORIES:			
Pulpwood, Logs and Lumber	$879,205.28		
Stores, Chemicals and Fuel	317,189.07		
Pulp and Paper	102,387.02		
Logging Expenses, Season 1922-1923, including Supplies at Depots	229,734.22		
		1,528,515.59	
			$2,455,150.72
Investments			23,336.00
FIXED ASSETS:			
Buildings, Plant, Machinery, etc., as at 30th November, 1921		4,633,479.09	
Expenditure during year		129,071.37	
			4,762,550.46
Property, Limits, Real Estate, etc., as at 30th November, 1921		6,236,711.50	
Expenditure during year		8,764.32	
		$6,245,475.82	
Deduct for Stumpage		50,068.00	
			6,195,407.82
Bond Discount, less written off			738,342.76
			$14,174,787.76

LIABILITIES.

CURRENT LIABILITIES:			
Accounts Payable, Accrued Charges, etc.		$ 354,465.23	
Bills Payable		199,369.47	
Bank Loans—Secured		425,000.00	
Accrued Interest on Bonds		91,610.00	
			$1,070,444.70
BONDS, 6% 40-YEAR 1ST. MORTGAGE:			
Authorized and Issued		$5,000,000.00	
Less Bonds Redeemed and Bonds Cancelled for Sinking Fund		419,500.00	
			4,580,500.00
CAPITAL:			
Authorized and Issued, 50,000 Shares of $100 each fully paid			5,000,000.00
Reserve for Depreciation and Sinking Fund			1,621,920.72
General Reserve			1,000,000.00
PROFIT AND LOSS:			
Balance as at 30th November, 1921		$1,010,815.00	
Add Profit for Year	$372,030.23		
Deduct:			
Bond Interest $260,854.89			
Bond Discount 10,000.00			
Depreciation 160,000.00			
Stumpage 50,068.00			
	480,922.89		
		108,892.66	
			901,922.34
			$14,174,787.76

Signed on behalf of the Board:
JAS. W. PYKE
HUGH MACKAY
Directors.
Montreal, 19th December, 1922.

Verified as per our Report of this date.
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.,
Auditors.

Canadian Appraisal Co., Limited

Property Values Definitely Established to Meet All Insurance and Accounting Requirements

TORONTO ROYAL BANK BLDG.
36 UNIVERSITY STREET MONTREAL
NEW YORK EQUITABLE BLDG.

HOW MILLS LINE UP IN MONTREAL PORT'S FLOUR SHIPMENTS

Ogilvie Leads, With Lake of Woods Second of Listed Mills

130,000,000 LB. AHEAD

"Dominion" Leads Five Listed Corporations—Big Increase Over 1921 But Below 1919

From Our Own Correspondent.

MONTREAL.—Figures covering the shipments of flour from the Port of Montreal during the season of navigation of 1922, gave a good idea of the amount of export business that came to the Canadian mills, particularly those listed on the exchanges. This does not show the full business of these companies for export purposes, but will serve probably as a fair basis of comparison, particularly, in reference to the last four years. The calendar year 1919, saw by far the largest amount of flour exported in the history of Canadian industry. This, of course, was the year after the Armistice when European supplies of food and clothing and many other lines of necessities were very bare, and an enormous demand sprang up from those countries that had a surplus to provide. It was the year when Canada also supplied to Roumania and Greece large quantities of textile and other goods.

The largest amount among the listed companies was sent over by Ogilvie Flour Mills, 578,259 sacks. As there are 98 lbs. to a sack of flour, this would represent nearly 57,000,000 lbs. This compares with 30,000,000 of the previous year and 34,000,000 of the year before that, but is much smaller than the record year of 1919, when 76,000,000 were shipped over.

Second on the list in the Port of Montreal is Lake of the Woods Milling Co. with 36,000,000 lbs, sent over, more than double that of the two previous years, and more even than in 1919.

Western Canada Flour Mills also is in the position of having exported far more the past year than ever before, with a record of 30,000 000 lbs. against 17,000,000 the previous year, and 10,000,000 in 1920.

Maple Leaf Flour Mills shows almost double the amount exported in 1922 through this port 32,000,000 lbs., over double the amount in 1921 and also in 1919.

St. Lawrence Flour Mills also did exceedingly well, nearly three times the amount of 1921 and double the amount of 1919.

Surprise may be felt at the position of Dominion Flour Mills Co. This is a comparatively new entrant into the list of flour exporters in this country. This Company's stock is not listed but it exported no less than 1,303,000 sacks of flour, or 130,000,000 lbs. This Company sent over only 180,000 in 1921, 38,000 in 1920 and none in 1919.

In the list the quantity credited to the Canadian Pacific Railway was 740,000 sacks as compared with 944,000 the previous year, and 3,136 000 in 1919, and the Grand Trunk Railway Co. had 647,000 sacks in 1922 as compared with 2,103,000 in 1919.

The total amount sent over for the past year from the Port of Montreal was 4,605,000 sacks or 460,000,000 lbs. of flour, much larger than the previous year but considerably below the total of 768,000,000 lbs. sent over in the record year of 1919.

EXPORTS FROM PORT OF MONTREAL

Sacks of flour	1922	1921	1920	1919
Ogilvie	578.259	308,795	344,714	765,009
Lake of Woods	362.271	1,161,269	163,142	303,825
Western Canada	304,319	176.778	105,504	201,770
Maple Leaf	321,125	178.013	93.579	149,587
St.Law'r'nce	294.473	117.337	36.083	159,301
Dominion	1.303.108	180,704	38,102	....
C.P.R.	740.101	944,444	869,498	3.136.261
G.T.R.	647,780	1,181,052	633,523	2.103.071
Totals	4,605,793	3,826,806	2,328,884	7,686,158

These exports do not include flour sent to various United States ports for export, such as Boston, Philadelphia Portland, New York and others.

That the Port figures form only a comparatively small fraction of the total is indicated by Blue Book figures. Taking the October returns—the latest where details are available—**the exports for the seven months** of the fiscal year ended Oct 31, **showed total exports of 4,524,230 barrels, or approximately 900,000,000 lbs. The** amount exported to the United States in this period was 353,929 barrels or about 700,000 000 lbs. **Of this total, exports to the United Kingdom** were some 440 000,000 lbs.

PORTO RICO RAILWAYS

November:

	1922	increase	per cent
Gross	110,991	1.713	1.57
Net	40,464	3,636	9.87
For eleven months:			
Gross	1,209,651	*10.047	*0.82
Net	479,952	28,540	6.32

* decrease.

SOUTHERN CANADA POWER

Both gross and net earnings of the Southern Canada Power Co. and its subsidiaries for the month of November showed increases over the corresponding period of last year. The figures for the month of November each year and the two months of the new fiscal year ending November 30 compare as follows:

	1922	1921	Inc.
November			
Gross	$77,890	$73,496	$4,393
Op Exp. & purchased power	34,046	30,435	3,610
Net	$43,844	$43,061	$ 783
2 months ending Nov. 30th.			
Gross	$150,224	$143,112	$7,112
Op. Exp. & purchased power	66,916	62,843	4,067
Net earnings	$83,307	$80,263	$3,044

Whalen's Plans for Expanding its Plants

Annual statement of Whalen Pulp and Paper Mills, which was due last November for the fiscal year ended February 28, 1921, has not yet appeared and is hardly likely to be in the hands of shareholders for over a month. Plans of the company for installing machines for the manufacture of newsprint and financing of such development is said to be holding up the statement. Directors hope to present the expansion and financing plans to shareholders at the same time as the report is placed before them, it is understood.

No announcement is ready yet as to the nature of the financing that may be arranged. Company is doing well at the present time, is finding an excellent market for its products and operations are believed to be upon a profitable basis.

WELLAND ALLOY STEEL OFFERING OF $2,000,000

New Plant to Produce Automotive Steel Being Constructed at Welland

From Our Own Correspondent.

MONTREAL.—An offering of $50,000 of the Welland Alloy Steel Co., of Welland, Ont., is being made by Industrial Securities Corporation at $10 a share. The company is constructing its steel plant on the banks of the Welland Ship Canal with a frontage of 1,300 feet. The present capacity will be about 30,000 tons per year and it is expected this will be increased to 45,000 tons. The company's property consists, besides the plant, of nickel ore lands, and these are estimated by engineers to contain a minimum of 5,000,000 tons of nickel ore underlying the property. Among the other assets are mentioned a patented process for the manufacture of nickel steel, rights of which are owned by the Company and in the manufacturing it is estimated a saving of $600,000 should be made during the coming year alone. The company has arranged for a fixed valuation for assessment purposes at $10,000 for the next 10 years. It is stated, in reference to the market for the product of the Company, that in 1921 over 100,000 tons of automotive steel were imported into Canada on which duty was paid ranging from 12½ to 37%. It is expected they will find a large market for their product amongst the 17 Canadian automobile plants. Already business has been procured for several months after the opening of the plant. The total offering of this issue for the present will be 200,000 shares of a nominal value of $2,000,000, out of a total authorized of $5,000,000.

WAYAGAMACK CUT INVENTORIES DEEPLY

Bond Financing Has Strengthened the Working Position of the Company

From Our Own Correspondent.

MONTREAL.—The annual statement of the Wayagamack Pulp and Paper Co., which was reviewed briefly in last week's issue, has been received favorably in investment circles. The reduction in inventories shows a cut of almost 50 per cent. as compared with $3,000,000 two years ago. The financing through $1,374,500 of bonds appears to have wiped out four items of one year ago, "loans on mortgages, $600,000;" "loans on pulp, $1,398,000;" "bills on mortgages, $200,000;" and "bills on limits, $100,000;" a total of $2,298,000 with bank loans remaining of $425,000.

The items of profit and loss and working capital account compare thus:

Profit and Loss

	1921	1920	1919
Profits	$ 372,030	*$ 156,712	$2,152,707
Bond int.	206,854	210,000	210,000
Balance	$ 111,176	†$ 366,712	$1,942,707
Bond dis.	10,000	10,000	10,000
Balance	$ 101,176	†$ 376,712	$1,932,707
Deprec.	160,000	160,000	160,000
Balance	†$58,824	†$ 536,712	$1,772,707
Stumpage	50,068	120,928	297,000
Balance	†$ 108,892	†$ 657,640	$1,474,807
Tax res.	....	....	866,000
Balance	†$ 108,802	†$ 657,640	$1,108,807
Dividends	....	150,000	250,000
Balance	†$ 108,892	†$ 807,640	$ 858,807
Pre. bal.	1,010,815	1,818,455	959,648
P.&L. Bal.	$ 901,922	$1,010,815	$1,818,455

* Loss. †Debit.

Working Capital Account

	1921	1920
Current Assets		
Cash	$ 69,733	$ 66,202
Accts. rec.	856,901	679,872
Investments	....	23,777
Inventories	1,528,515	2,797,906
Current Liabilities		
Accts. pay., etc	345,465	449,872
Bills pay.	199,369	191,629
Bills on limits	....	100,000
Bills on mortgage	....	200,000
Bank loans	425,000	....
Loans on pulp	....	1,398,000
Loans on mortg'ge	....	600,000
Accd. int.	91,610	70,000
Net work. capital	$1,384,706	$534,478

RE-COUNT OTTAWA RAILWAY VOTE

The Board of Control of Ottawa has asked the City Council to make an application to the County Judge for a recount of the vote on the purchase of the street railway at the annual elections. On this occasion the proposal was turned down by only six votes. The Ottawa Electric Railway Co. have capital authorized of $4,000,000 of which $1,876,900 is subscribed and paid up. There were $500,000 4 per cent bonds issued of which $131,000 have been redeemed.

But One Regret

"I have but one regret to express," wrote one of our policyholders, "and that is that I did not take out a much larger policy at the time." A natural enough regret to feel even when one lives to enjoy the fruits of early forethought; but how much more necessary to carry all the insurance one is capable of for the sake of your dependents! Their protection is the greater need. If you have not sufficient insurance in force, write for particulars of Great-West Life policies which provide the maximum of protection at the minimum cost. State age at nearest birthday.

THE GREAT-WEST LIFE ASSURANCE COMPANY

Head Office

Dept. "G"
WINNIPEG CANADA

FRED HAMILTON REAL ESTATE

City, Farm and Suburban Homes.

We can give you anything you require.

Sun Life Building Hamilton, Ontario

THE FOUNDATION COMPANY

DRUMMOND BLDG.,
MONTREAL

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

Addressing Machine For Sale

We have a complete Belknap Equipment for sale. This equipment is still in use in our Subscription Department and is in excellent working order. We have placed an attractive price on this outfit, and would advise manufacturers or merchants having a mailing list to let us tell you how it will save you money.

We will give a guarantee as to the proper working condition of this equipment.

THE MACLEAN PUBLISHING COMPANY, LIMITED
143 University Avenue, Toronto, Ontario

The New Twenty-year Capital Return Policy

(Issued by The Canada Life)

A Young Man and His Future

He takes his first step in business affairs, is examined by the doctor and creates an estate of $5,000.

He improves the shining hour and impresses upon an important person that he is in possession of an "estate."

His tendency to save and invest is noted by his employers.

He finds his savings of great assistance in buying a home.—

And as time goes on he is enabled to enjoy many of the good things of life.

Absolutely guarantees the return at the end of twenty years of all annual deposits, with accumulated profits, after giving you insurance protection for twenty years.

Easily Understood:

1st. Deposits are made yearly. This is what you are SAVING, and at the end of 20 years the Canada Life GUARANTEES the return of every dollar paid in.

2nd. Your life is insured from the day you make the first deposit—for $5,000 or whatever amount you decide.

3rd. Profits are paid at stated intervals in addition to the return of all deposits at the end of 20 years.

4th. These profits may be used to reduce the amount of your yearly deposits or be allowed to accumulate at interest for 20 years.

5th. The cash value of Policy and Profits represents a valuable asset, useful in business, and your "estate" is protected by the insurance.

6th. At the end of Twenty years you can draw out all you have paid in along with profits—

— or —

you can draw a Special Cash Guarantee, together with the Accumulated Profits, making a substantial sum, and leave the $5,000 Policy fully paid for and continuing to earn Dividends as long as you live.

There are many other attractive features and privileges contained in the Policy, which may be of particular value to you.

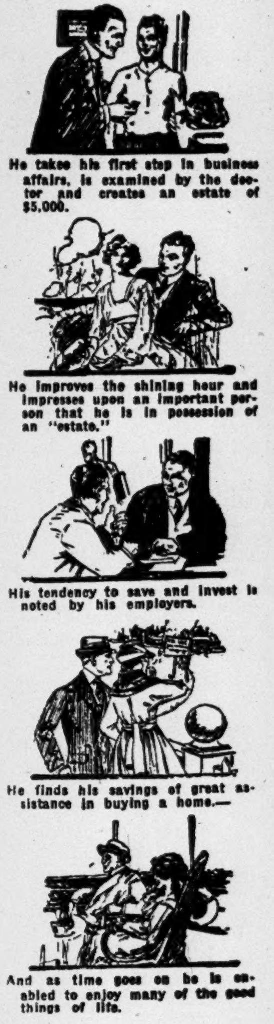
Do Not Pass This By

Canada Life

Home Office
TORONTO
Canada

Canada Life Assurance Company
Dear Sirs—Without obligation on my part, you may send me particulars of your new Twenty-Year Capital Return Policy.
Name ....
Address ....
Born .... day of .... 19..

12



STOCK SALES ORGANIZER

We want to get in touch with a financial house that can sell $100,000 of preferred stock in a sound organization or a man who can get together a sales force to sell all or part of the stock. A very substantial commission will be arranged. Apply in first instance to Box 59, The Financial Post.

ACCOUNTANT (Chartered)

Banking, financial and industrial experience, desires position where problems in accounting and finance are required to be solved, and where ability to cope with same will lead to a permanent executive position.

Box 61,
THE FINANCIAL POST

TENDERS WANTED

Village of Woodbridge

Sealed Tenders will be received by the undersigned up to six p.m. January 23, 1923, for forty thousand dollars, five and one-half per cent. thirty-year debentures of the Village of Woodbridge, payable at the office of the Treasurer, Woodbridge, Ont.

ED. W. BROWN,
Village Clerk, Woodbridge.

DIVIDEND

Dominion Stores
LIMITED
COMMON STOCK DIVIDEND NOTICE

At a special meeting of the Board of Directors held this day an initial dividend of $1.00 per share was declared for the Common Stock, and payable 50 cents per share on April 1st and 50 cents per share on October 1st, to Stockholders of record on the first day each of March and September next preceding.

ROBERT W. JAMESON,
Treasurer.

Toronto, Ont., Jan. 5, 1923.

THE
DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 31st Januarv. 1923, at twelve o'clock noon.

By order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 17th November, 1922.

DIVIDEND NO. 106
Hollinger Consolidated Gold Mines, Limited
(No Personal Liability)

A dividend of 1% upon the outstanding capital stock of the Company has been declared payable on the 29th day of January, 1923, on which date cheques will be mailed to shareholders of record at the close of business on the 12th day of January, 1923.

Dated the 4th day of January, 1923.

D. A. DUNLAP,
Treasurer.

DIVIDEND NOTICE
The Canadian Converters' Company, Limited

Notice is hereby given that a Dividend of One and Three-quarters (1¾%) Per Cent. has been declared on the Capital Stock of this Company, for the quarter ending January 31st, 1923, payable 15th February, 1923, to Shareholders of record at the close of business January 31st, 1923.

By order of the Board.

THOS. M. BARRINGTON,
Secretary-Treasurer.

Montreal, 9th January, 1923.

DURANT MOTOR STOCK

Durant Motors has been successful in placing its isue of $3,000,000 stock. W. C. Durant and associates took 85,000 shares. A Toronto syndicate 30,000 and the company sold 185,000 shares direct to the public. The return from the sale is placed at $3,500,000 with expenses totalling $500,000.

DOMINION BRIDGE INVESTMENTS

Dominion Bridge will likely benefit in the future from its investment of $2,760,000 in subsidiary companies, Pres. Duggan told a shareholder at the annual meeting. He said the investments were well worth the figures shown in the annual statement and that writing down has been necessary in only two cases, $300,000 in al. Of this $200,000 was off National Bridge and $100,000 off Canadian Till Soil Farm Motors.

NEW FRANCHISE TO BE STRONGLY OPPOSED AT 'PEG

Labor Mayor Strong for Municipal Ownership

BY POPULAR VOTE

Radical Element Will be Given Full Chance to Swing the Issue Against the Payers of Taxes

From Our Own Correspondent.

WINNIPEG. — Mayor Farmer's stand for municipal ownership, as briefly outlined in THE FINANCIAL POST'S last issue, makes increasingly clear the strong opposition which will confront the Winnipeg Electric Railway Company this year in its effort to assure a ten-year extension of its franchise to 1937. Mayor Farmer's position has been clearly cut for 1923. He accepts his election on that basis that the proposed extension of the street railway company's franchise is not approved by the public; that the council stands instructed that the principle of municipal ownership of public utilities is approved; and that upon all major questions of public policy the people as a whole should be consulted.

Winnipeg's first Labor mayor will have ample support in the 1923 city council but to all outward appearances the Labor element cannot entirely swing the council, for the reason that Labor is not quite in the majority. It begins to look extremely doubtful, however, whether the present council majority is wholly in sympathy with the street railway franchise, and there is an increasing disposition to look for a complete swinging away from the Winnipeg Electric Railway Company's proposal first advanced last May.

The shelving of the company's franchise request appears to preclude the possibility of further financing upon a large scale. This means that important and urgently needed extensions to the present service cannot be undertaken because clearly the extension programme cannot be ventured upon without fresh capital and could under no circumstances be embarked upon out of gross earnings.

For Public Ownership

So far as can be foreseen Mayor Farmer can initiate no programme for the immediate municipalizing of the street railway though there is no doubt in the minds of observers that the Labor side of the council will bring forward measures looking to this end in view. If the question is brought to vote and Mayor Farmer succeeds in carrying out his determination "that upon all major questions of public policy the people of Winnipeg as a whole must be consulted" the great Labor vote, unquestionably will be massed for public ownership, for the labor organizations have been consistently "plumping" for municipalization throughout the controversy. If the vote can be confined to the ratepayers exclusively, as was proposed prior to the latest civic election, the idea of the city assuming ownership of the street railway is unlikely to go through. The tax payers are inclined to groan under the civic burdens as it is, without additional obligations.

With the immediate indications so clearly arrayed for public ownership the probable course of the street railway executive is obscured as yet. Vice-President McLimont makes no contribution to the present turn of events. A short time since Edward Anderson, K. C., counsel for the company expressing his complete confidence in the outcome of any civic vote for public ownership said: "Under what circumstances would the city be justified in spending $15,000,000 when the city now had a good traction service and can be assured of a good service for 15 years?"

It would not therefore be surprising if the company did not press for decision. The accompanying $3,000,000 financing would automatically be shelved and only minor repairs and improvements carried out during the year. New lines to open up Greater Winnipeg, it is apparent could not now be undertaken.

SOCIALISTS STIRRING UP WESTERN CANADA

Evidently Trying to Capitalize the Temporary Feeling of Discontent

It is evident that the Socialists and other radicals are taking advantage of the present spirit of dissatisfaction and unrest in Western Canada to spread their propaganda.

At Calgary recently William Irvine, M.P., declared that the modern industrial machine was breaking down and gradually ceasing to function in the capacity of providing the material wants of man. There was unemployment where there was plenty of work to be done and hungry people when storehouses were filled with food; these were among the anomalies which bespoke the collapse of the industrial system. He saw a great need for the inauguration of a new system to meet the demands of the age. We were now in the midst of the social revolution which Socialists had predicted since the days of Marx and as to whether a catastrophe was to be avoided or not depended upon the ability of the collective intelligence to free itself and to meet conditions as they are. "The race is on," said he, "and for the moment catastrophe is in the lead."

"The forces of production are rising in revolt against the anarchy that exists in exchange," said Charles Lester, of the Socialist party of Canada, speaking at Saskatoon. The Socialists, he declared, were out to educate the working people to free themselves from economic bondage.

WEST INVESTMENT TOTAL IS LARGE

Managing Director of Imperial Life Says Another Good Crop Would Help

Another good crop such as that of 1922 with a possibility of improved cattle prices will go a long way toward restoring conditions in Western Canada to a normal basis, was the statement made by J. F. Weston, Managing Director of the Imperial Life at the annual meeting. Conditions were much improved in the west despite the disappointingly small margin between the prices realized and the cost of the crop production. Investments of financial institutions were cited as an evidence of confidence in the West. At the end of 1921 Life Insurance investments alone totalled $125,000,000 and about half of this total was in farm mortgages. The total investments of this class of insurance, loan, and trust companies he estimated at $350,000,000. One of Mr. Weston's references was to an uncomfortable amount of arrears of interest and he chided local legislators for trying to solve the problem by legislation and by the enactment of laws inimical to the security or carrying out of contracts.

Record Movement of Wheat Down Great Lakes from West

The unusually heavy movement of grain down the lakes this season resulting in abnormal boat rates for some weeks, is indicated in the report of the Lake Shippers Clearance Association.

The following summary indicates a total of over 209,000,000 bushels shipped through the association during the season commencing August and extending to the close of navigation.

TOTALS—

Wheat	179,352,773	128,413,406	93,779,898	55,229,739	51,605,385
Oats	11,302,719	21,439,484	7,453,549	11,082,570	626,883
Barley	8,259,824	6,708,398	4,056,216	5,570,356	315,777
Flax	1,779,293	2,597,248	1,655,819	438,193	675,356
Rye	8,496,710	2,452,875	1,494,496	533,354	106,474
	209,191,319	161,611,411	108,439,978	72,854,212	53,329,875

In the following summary is shown the total of grain moved during the full shipping season. It will be noted that in 1918 there were about 33,000,000 bushels handled to Canadian ports by American boats. It was advocated that a similar suspension of regulations be made this year and this was done at the close of the season but only resulted in the movement of 383,000 bushels under this arrangement:

Season 1918—						
Can. boats to Can. ports	33,604,434	5,132,082	2,986,032	553,807	......	42,276,355
Can. boats to Amer. ports	614,740	244,716	......	46,300	......	905,756
Amer. boats to Can. ports	28,025,472	4,382,325	300,988	171,997	106,474	32,987,256
Amer. boats to Amer. ports	1,590,709	324,503	......	1,264,154	......	3,179,366
	63,835,355	10,083,626	3,287,020	2,036,258	106,474	79,348,733
Season 1919—						
Can. boats to Can. ports	89,069,569	13,091,851	11,668,710	494,567	800,021	115,124,718
Can. boats to Amer. ports	366,275	1,400,446	......	87,396	48,514	1,902,631
Amer. boats to Amer ports	4,736,434	2,110,139	1,238,099	625,242	254,794	8,964,708
	94,172,278	16,602,436	12,906,809	1,207,205	1,103,329	125,992,057
Season 1920—						
Can. boats to Can. ports	58,907,474	10,481,994	5,682,472	587,145	1,081,705	76,740,790
Can. boats to Amer. ports	10,991,540	1,662,134	2,668	36,798	81,650	12,774,790
Amer. boats to Amer. ports	46,967,167	2,642,350	830,805	1,143,732	961,856	52,545,910
	116,866,181	14,786,478	6,515,945	1,767,675	2,125,211	142,061,490
Season 1921—						
Can. boats to Can. ports	76,236,896	43,472,049	10,016,446	952,114	1,154,988	131,832,493
Can. boats to Amer. ports	5,625,762	572,762	105,000	702,403	43,536	7,049,463
Amer. boats to Amer. ports	79,398,830	5,085,811	2,464,464	2,728,787	1,912,018	91,589,910
	161,261,488	49,130,622	12,585,910	4,383,304	3,110,542	230,471,866
Season 1922—						
Can. boats to Can. ports	106,789,517	19,887,992	7,179,749	920,856	983,974	135,762,088
Can. boats to Amer ports	12,395,869	479,461	386,201	302,824	545,979	14,110,334
Amer boats to Can. ports	383,148	......	......	......	......	383,148
Amer. boats to Amer ports	117,455,956	8,480,156	5,527,963	1,613,128	8,617,914	141,695,117
	237,024,490	28,847,609	13,093,913	2,836,808	10,147,867	291,950,687

Mining Stock Quotations

Week Ending January 9

	High	Low	Close	Sales
Algonquin	7¼	7	7	1,500
Argonaut	51	50	50	1,000
Atlas	14	11½	12	63,900
Baldwin	8	7⅛	7¼	37,500
Beaver	31¾	27	31¾	14,300
Buckingham	14	—	—	1,000
Clifton	23	18	22½	41,400
Castle Treth.	27	26	26½	9,000
Columbus	13½	12¼	13¼	8,500
Chaput-H	5	4	4	3,000
Coniagas	2.10	2.00	2.05	490
Cons. Smelters	27	26	26	1,267
Cons W. Dome	27½	24¾	25	101,350
Cr. Reserve	40	35	38	94,985
Davidson	18	—	—	1,000
Dome Mines	45.00	43.75	44.00	798
Dom. Kirkland	5½	3¾	4¾	10,500
Gold Reef	2¼	2	2¼	12,000
Goldale	37	34	36	1,000
Hattie	30	27¾	28½	45,550
Hillcrest, com.	73	—	—	65
Do., pref.	80	—	—	68
Hollinger	12.60	12.30	12.45	8,440
Hunton	10¼	9½	10	26,300
Keora	9½	9	9½	7,800
Kirkland Lake	40	38	39½	3,600
La Rose	25	23	25	2,350
Lake Shore	2.90	2.87	2.89	6,600
McK. Darragh	20	18½	19	5,834
McIntyre	18.65	18.00	18.40	3,598
Mining Corp.	95	—	—	340
Moneta	13	—	—	11,500
Newray	27½	26	26	34,750
Nipissing	5.75	5.50	5.75	936
Peterson Lake	9½	9¼	9½	[illegible]
Porcupine Cn.	17	16½	17	11,735
Porcupine Tis.	2	—	—	2,000
Prest. E. Dome	10½	10	10¼	12,650
Schumacher	45	—	—	7,000
Teck-Hughes	99	83	93	165,200
Thompson K.	4	3½	3¾	34,500
Timiskaming	31	29½	31	4,928
Trethewey	5⅛	4⅝	4⅝	12,950
Wakenda	7	—	—	400
Waspika	8¾	7¼	7½	93,000
West Tree	12	10	10½	44,700
W. Hargreaves	3.10	3.05	3.10	1,575
Vipond Con.	69	65	69	12,661
Petrol	16½	16	16½	2,000

THE BANK OF TORONTO

Report of the

Sixty-Seventh Annual General Meeting

The sixty-seventh Annual General Meeting of the Stockholders of The Bank of Toronto was held at the Head Office in Toronto on Wednesday, 10th January, 1923.

On motion, the chair was taken by the President, Mr. W G. Gooderham, the Assistant General Manager, Mr. Harvey B. Henwood, was requested to act as Secretary, and Mr. E. W. Langley, and Mr. F. K. Morrow were appointed Scrutineers.

The Secretary read the Annual Report as follows:—

The Directors of The Bank of Toronto beg to present their Report for the year ending 30th November, 1922, together with the Statement of the Bank's affairs and the results of the operations for the year.

PROFIT AND LOSS ACCOUNT.

The Balance at credit of Profit and Loss, on November 30th, 1921, was		$ 1,037,479.45
The Net Profits for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of		878,762.13
		$1,916,241.58
This sum has been appropriated as follows:—		
Dividends Nos. 162 to 165, at Twelve Per Cent.		600,000.00
Reserved for Taxes	$ 80,000.00	
Transferred to Officers' Pension Fund	25,000.00	
Written off Bank Premises	150,000.00	
		255,000.00
Carried forward to next year		1,061,241.58
		$1,916,241.58

The Head Office and Branches have been regularly inspected by the Bank's Inspection Staff, and at the Head Office the usual verification of cash and securities has also been made.

The Auditor appointed by the Shareholders, Mr. G. T. Clarkson, F.C.A., has made his examination of our Head Office and principal Branches, and his report accompanies the General Statement presented herewith. Mr. Clarkson's name will be submitted to you for reappointment as Auditor.

Two new Branches of the Bank were opened during the year and one closed, leaving 158 Branches now in operation.

The Directors regret that Mr. Thos. F. How, the General Manager of the Bank, felt it necessary to retire from that position, and, at his urgent request, his resignation was accepted, and took effect on the 30th June last.

We are glad to be able to report that Mr. How has consented to act as one of the Directors of the Bank, and his intimate knowledge of its affairs, and his sound judgment will continue to be used in furthering the interests of the Bank.

The Directors appointed as his successor, Mr. John R. Lamb, who has been in the service of the Bank for thirty-five years, and has had a wide experience at several Branches of the Bank and at the Head Office as Assistant General Manager. Mr. Lamb assumed the duties of his new office on 1st July last.

All of which is respectfully submitted,

W. G. GOODERHAM,
President.

GENERAL STATEMENT

30TH NOVEMBER, 1922.

LIABILITIES.

Notes in circulation		$6,895,173.00
Deposits bearing interest, including interest accrued to date of statement	$56,559,942.40	
Deposits not bearing interest	17,118,815.47	
		73,678,757.87
Balances due to other Banks in Canada	461,993.82	
Balances due to Banks and banking correspondents in the United Kingdom and Foreign countries	529,535.84	
		991,529.66
Quarterly Dividend, payable 1st December, 1922	150,000.00	
Dividends unpaid	1,133.00	
		151,133.00
Acceptances under Letters of Credit		678,407.72
		$82,395,001.25
Capital paid up	5,000,000.00	
Rest	6,000,000.00	
Balance of Profit and Loss Account carried forward	1,061,241.58	
		12,061,241.58
		$94,456,242.83

ASSETS.

Gold and Silver coin current	$ 995,066.68		
Dominion Notes held	7,539,290.00		
Deposit in the Central Gold Reserves	2,500,000.00		
		$11,034,356.68	
Deposit with the Minister for the purposes of the Circulation Fund		270,354.08	
Notes of other Banks		563,630.00	
Cheques on other Banks		5,715,362.79	
Balances due by Banks and banking correspondents elsewhere than in Canada		888,657.51	
Dominion and Provincial Government Securities, not exceeding market value		12,651,837.42	
Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian		1,715,983.79	
Railway and other Bonds, Debentures and Stocks, not exceeding market value		306,149.26	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks		7,606,201.45	
			$40,752,532.98
Other Current Loans and Discounts in Canada (less rebate of interest, $209,762.03)		49,311,917.22	
Overdue Debts (estimated loss provided for)		238,457.59	
			49,550,374.81
Liabilities of Customers under Letters of Credit, as per contra			678,407.72
Bank Premises, at not more than cost, less amounts written off			3,474,927.32
			$94,456,242.83

W. G. GOODERHAM,
President.

JOHN R. LAMB,
General Manager.

Toronto, 30th November, 1922.

AUDITOR'S REPORT TO THE SHAREHOLDERS.

To the Shareholders of The Bank of Toronto:

I have compared the above Balance Sheet with the books and accounts at the chief office of The Bank of Toronto, and certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on November 30th, 1922, I certify that in my opinion such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and verified by me during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.,
Chartered Accountant.

Toronto, December 19th, 1922.

The Meeting was then addressed by the President, Vice-President and the General Manager.

The Report of the Directors was adopted, Mr. Geoffrey T. Clarkson, F.C.A., was appointed Auditor for the current year, and the thanks of stockholders were tendered to the President Vice-President and Directors, also to the General Manager, and Staff of the Bank for their efficient services during the past year.

The following Directors were elected: W. G. Gooderham, William Stone, John Macdonald, Lieut.-Col. A. E. Gooderham, Joseph Henderson, Brig.-Gen. F. S. Meighen, Col. William I. Gear, Paul J. Myler, A. H. Campbell, W. R. Bawlf, John I. McFarland, James D. Chaplin, M.P., and Thos. F. How.

At a meeting of the new Board, Mr. W. G. Gooderham was re-elected President and Mr. Joseph Henderson Vice-President.